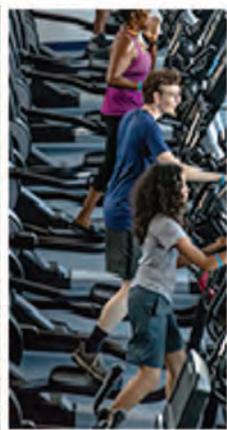


Adopted
**Executive
Summary**

**RESOURCE
MANAGEMENT
PLAN**

FY 2018-19



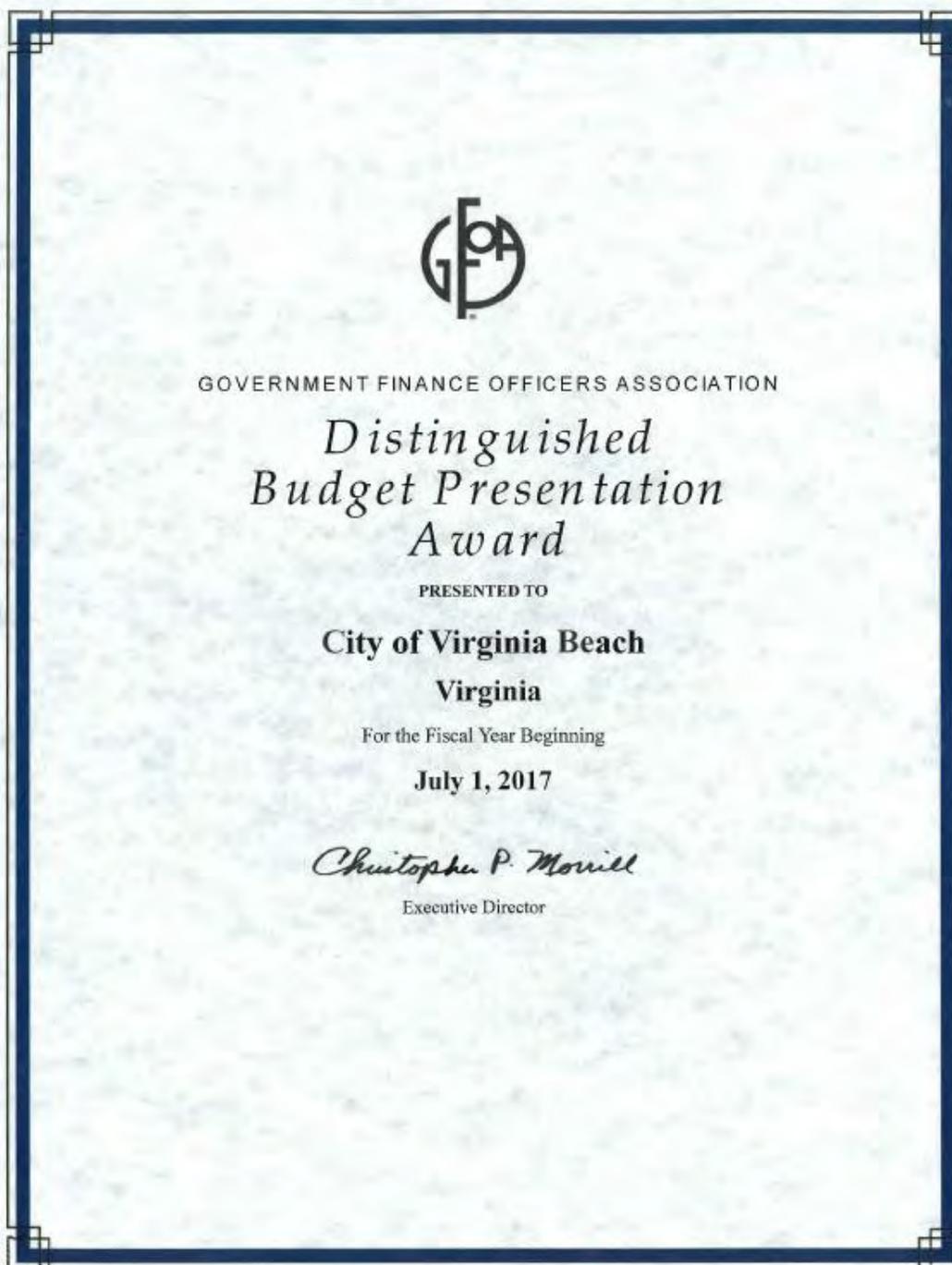
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DISTINGUISHED BUDGET AWARD

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Virginia Beach, Virginia** for its Annual Budget for the fiscal year beginning **July 1, 2017**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



ACKNOWLEDGEMENTS

The Department of Budget and Management Services expresses its gratitude to every department for their thoughtful submission of budgetary needs. A special thank you goes to the City Manager and Deputy City Managers who spent many hours sorting through a variety of complex issues. As with any proposed budget, our objective is to meet the goals as defined by City Council, and we appreciate their vision for our City's future. The reader will notice the Executive Summary, Operating Budget and Capital Improvement Program link City services, programs and projects to City Council's goals.

Finally, I want to express my sincere appreciation to the staff of the Department of Budget and Management Services. Their dedication, professionalism, competence and positive attitude are unsurpassed:

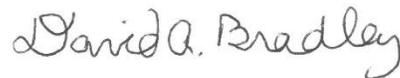
◆◆ Luis Asercion ◆ Jason Beasley ◆◆

◆◆ Kevin Chatellier ◆ Jacqueline Conley ◆ Crystal Skinner ◆ Alex Gottschalk ◆◆

◆◆ Jonathan Hobbs ◆ Kaitlyn James ◆ Beth Kavanaugh ◆ ShaDonna Mayfield ◆ Ronald Snellings ◆◆

◆◆ Jesse Stephenson ◆ Brandi Swansen ◆◆

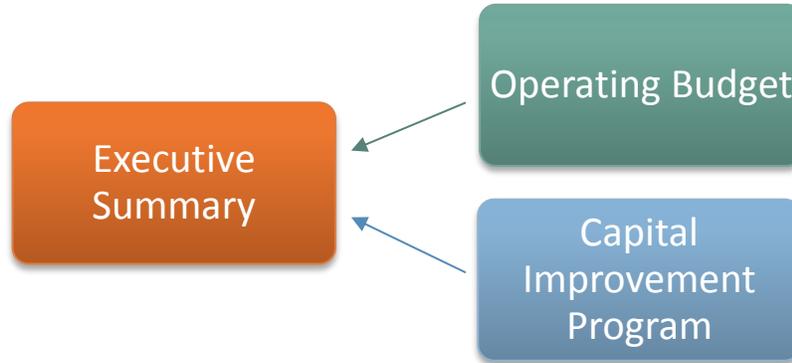
Sincerely,



David A. Bradley, Director
Budget and Management Services

OVERVIEW

The Resource Management Plan is comprised of three volumes: the Executive Summary, Operating Budget and Capital Improvement Program. These volumes are interrelated and help to support and define each other. Three volumes are considered and adopted by the City Council as an integrated whole.



Executive Summary

This volume provides a comprehensive overview of the policies, both service and fiscal, which guide the development and implementation of the annual Operating Budget, the Capital Budget, and the five planning years of the Capital Improvement Program. It includes a projection of expenses, resources and trends, as well as brief highlights of new or expanded programs or projects. This document is designed to provide the reader with a quick and comprehensive understanding of the financing strategies of the government.

Operating Budget

This volume provides detailed information on the City's anticipated spending needs for the upcoming fiscal year, beginning July 1st through June 30th. It provides detailed discussions of revenues and expenses for each department.

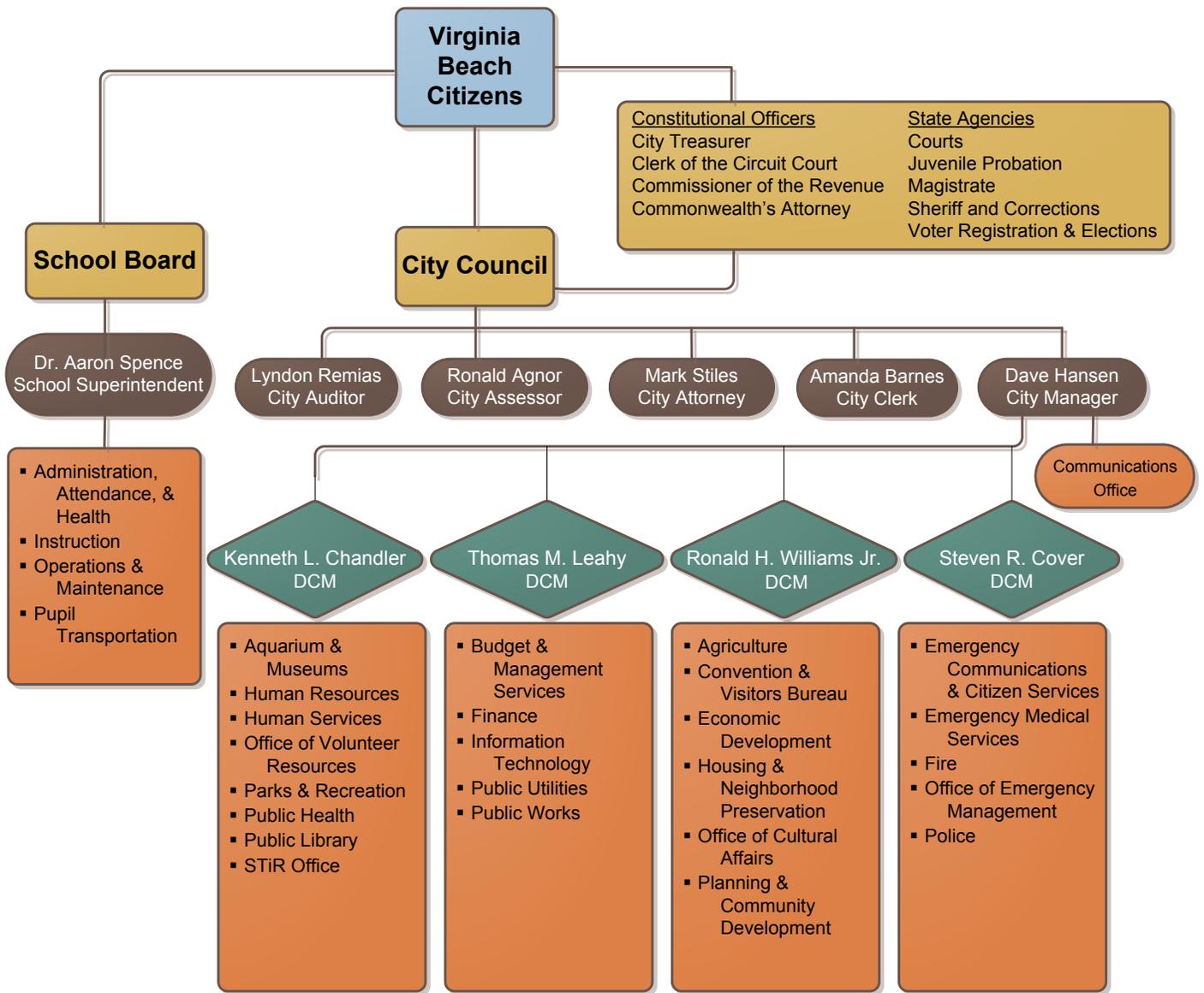
Capital Improvement Program (CIP)

This volume is comprised of the annual Capital Budget (year one of the six year plan) and five planning years (years two through six). The CIP is organized into sections based on functional areas: Roadways, Buildings and Assets, Coastal, Economic and Tourism Development, Schools, Parks and Recreation, Water Utilities, Sewer Utilities, Storm Water Utilities, and Information Technology. Within each functional area, each project page includes a brief description of the project, a financing plan, and a location map, if applicable.

CITY ORGANIZATION & INFORMATION

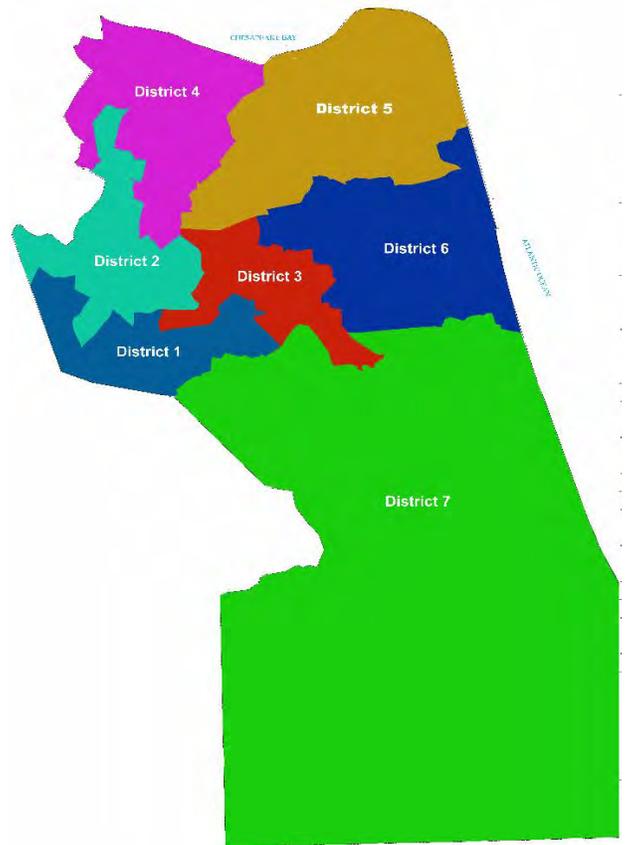
The City of Virginia Beach was chartered as a municipal corporation by the General Assembly of Virginia on January 1, 1963. The city operates under a Council-Manager form of government. The 11 member City Council is the City's legislative body. The City Manager is appointed by Council and acts as Chief Executive Officer and, through City staff, the City Manager implements policies established by Council.

Virginia Beach has 248.3 square miles of land and 58.5 square miles of water. As of FY 2017-18, there was a population of 454,448 residents of which 300,697 are registered voters. Excluding on-base military housing, the City has 184,348 residences/homes.



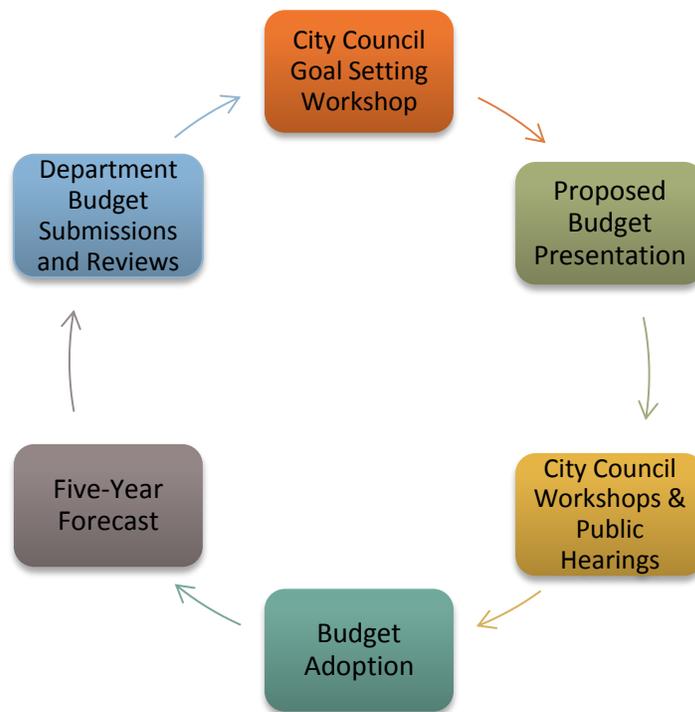
CITY COUNCIL

The 11 member City Council is the City’s legislative body. Members of Council serve four-year terms and are elected on a staggered basis. Three City Council members and the Mayor serve “at large” with no district residency requirement, all other members are required to live in the district they represent. On May 1, 2018 Mayor William Sessoms resigned and Council subsequently appointed then Vice-Mayor, Louis Jones, to hold the position until a special election could be held in November 2018. As a result, at the time of budget adoption, there were only ten Councilmembers.



- ➔ Louis R. Jones, Mayor, District 4-Bayside
- ➔ James L. Wood, Vice-Mayor, District 5-Lynnhaven
- ➔ Jessica P. Abbott, District 2-Kempsville
- ➔ Benjamin Davenport, At-Large
- ➔ Robert M. Dyer, District 1-Centerville
- ➔ Barbara M. Henley, District 7-Princess Anne
- ➔ Shannon DS Kane, District 3-Rose Hall
- ➔ John D. Moss, At-Large
- ➔ John E. Uhrin, District 6-Beach
- ➔ Rosemary C. Wilson, At-Large

The City Charter requires the City Council to adopt an annual budget. Virginia Beach’s fiscal year spans from July 1st to June 30th, with a year-round budget planning process which includes:





City of Virginia Beach

LOUIS R. JONES
MAYOR

May 9, 2018

VBgov.com

MUNICIPAL CENTER
BUILDING 1
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23456-9000
(757) 385-4581
FAX (757) 426-5699
WSESSOMS@VBGOV.COM

Members of City Council

Subject: FY 2018-19 Operating Budget and CIP Reconciliation (*edited as required by City Council*)

Dear City Council Members:

Since March when the City Manager's Proposed Operating Budget and Capital Improvement Program (CIP) were first presented, we have worked diligently as a body to finalize a budget that addresses community priorities. We can be proud of the work that we have accomplished together to reach this point in the process. Before we outline the amendments to the City Manager's Proposed Operating Budget and CIP, we should highlight what this budget and our amendments accomplish for our citizens and employees:

- Provides a 2% pay increase for City and School employees.
- Eliminates the 10¢ proposed increase in the Personal Property Tax, which ensures our Real Estate and Personal Property tax rates remain the lowest in the region.
- Eliminates the proposed \$1 increase in the monthly solid waste management fee, the proposed 10¢ increase in the cigarette tax rate, the proposed \$2 increase in the automobile license fee, and eliminates the previously adopted 2.5¢ per day increase in the storm water ERU rate effective July 1, 2018
- Addresses compression in our public safety departments and throughout the organization.
- Adds a workforce development program for the Police Department which will improve recruiting and retention through a new 3-year step increase subject to performance and training accomplishments.
- Reduces class size and continues the expansion of full day kindergarten.
- Continues Investment in biomedical and initiates investment in cyber security.
- Provides TIP funding for Entertainment District projects to keep Virginia Beach a competitive tourist destination.
- Retains the Agricultural Reserve Program for the annual acquisition of 300 acres, while also contributing \$990,000 annually to combat storm water issues in the southern watershed.
- Invests in public safety adding positions in Police, Fire, and EMS.

- Provides needed resources for opening of the Housing Resource Center.
- Invests in needed infrastructure like schools, roadways, storm water, and information technology.

After lengthy discussions with you and listening to the public input at the various public meetings, town halls, public hearings and via email, it is recommended that the Operating Budget and CIP be adopted with the following adjustments:

1. Reduce the proposed Personal Property tax rate by 10¢ from \$4.10 to \$4.00. This will result in a decrease of General Fund revenue in the amount of \$1,869,023. - *All*
2. In order to partially offset the decrease in Personal Property Tax Revenue, the following reductions are recommended by the City Manager:
 - Eliminate the new Resource Management Captain in the Fire Department (-\$78,797)
 - Add five police officers and two positions for the Workforce Development Program (see item 13 of this letter) instead of the 10 officers included in the City Manager’s proposed budget (-\$534,753)
 - Eliminate the ERP support position in the Finance Department (-\$97,407)
 - Reduce the number of FTEs allocated to the new Environmental Management Office from three to two (-\$100,000)
 - Reduce the FY 2018-19 appropriation to CIP 3-695 “21st Century ERP” (-\$375,000) – please note that this amount has been moved to FY 2019-20
 - Reduce the FY 2018-19 appropriation to CIP 3-157 “Facilities Planning Services” (-\$50,000)
 - Reduce the FY 2018-19 appropriation to CIP 9-081 “Strategic Growth Area Projects” (-\$50,000)
3. Eliminate the \$1 per month increase in the solid waste collection fee. Instead, the TIP fund will make a one-time contribution of \$1,476,000 to assist with recapitalization of the fleet within the Waste Management Fund. This will result in the reduction of \$1,476,000 in the TIP Fund Reserve for Future Commitments, resulting in a decrease in the projected fund balance of the TIP Fund. - *All*
4. Eliminate the 10¢ per pack increase in the Cigarette Tax. This will result in a decrease of General Fund revenue in the amount of \$1,547,980. - *All*
5. Eliminate the \$2 increase in the Automobile License Fee. This will result in a decrease of General Fund revenue in the amount of \$768,380. - *All*
6. In order to offset the loss of revenue with the elimination of the 10¢ increase in the Cigarette tax and the \$2 increase in the Automobile License Fee, establish a negative compensation reserve of \$2,290,379 in the General Fund, which will be attributed to attrition. - *All*

7. Eliminate the previously adopted 2.5¢ per day increase in the Storm Water ERU rate effective July 1, 2018, which reduces revenue in the Storm Water Utility Enterprise Fund by \$2,290,379 (*All*). In order to offset this decrease in revenue in the fund, the following reductions are recommended by the City Manager:
 - Eliminate the two new positions and associated operating costs for the Storm Water Center of Excellence (-\$335,680)
 - Eliminate the three new positions and associated operating costs for the Surface Water Regulatory Division (-\$483,667)
 - Eliminate the one new position and associated operating costs for the Storm Water Permit Data Management (-\$94,967)
 - Eliminate one Storm Water Construction Inspector and associated operating costs (-\$100,545)
 - Eliminate the two new positions and associated operating costs for the Storm Water Management Facilities/Environmental Maintenance Crew (-\$725,832)
 - Reduce the Storm Water Utility Fund Reserve for Future Commitments by \$425,001
 - Reduce the Storm Water Utility Fund Compensation Reserve by \$124,687

8. Increase Interest Income in the General Fund by \$233,133. This is a result of revised projections due to additional months of realized revenue which were not available at the time this revenue was initially estimated.

9. With the completion of the General Obligation Bond sale on March 13, 2018 and the Public Facility Revenue Bond Sale on March 28, 2018, interest rates were lower than projected, and thus the amount needed to meet debt service requirements in the General Fund in FY 2018-19 is reduced by \$858,763.

10. Increase “State Aid to Localities with Police Departments” (599 funding) by \$417,670. The City has revised its projection for this revenue based on the State’s proposed FY 2019 budget. The Code of Virginia provides for financial assistance to localities with police departments that meet or exceed certain criteria through the "599" program.

11. An amount up to \$3 million dollars is authorized to address vertical and horizontal compression (attached is the latest compression calculation). This amount will be offset with savings from attrition and position vacancies. Language will be included in the budget ordinance that authorizes the City Manager or his designee to transfer savings in salary or fringe benefit accounts among departments in any amount to accomplish this purpose notwithstanding other budgetary controls outlined in the ordinance. This will reduce the City’s June 30, 2018 Projected Undesignated Fund Balance to approximately 9.7% of FY 2018-19 revenue. - *All*

12. Add \$180,000 to provide an annual stipend for Firefighters that hold an Advanced EMT certification. This stipend will be provided to Firefighters who have acquired the necessary

skills and training to provide basic and limited advanced emergency medical care for critical and emergent patients who access the emergency medical system. - **Jones and Wood**

13. Add \$300,000 and authorize two additional FTEs in the Police Department to implement the Workforce Development Program. This program will allow Police Officers who have completed a certain set of criteria, to receive a 5% salary increase once they have completed three years of service with the Police Department. With the completion of additional criteria necessary to achieve the rank of Master Police Officer, an additional 5% salary increase can be achieved after three additional years of service (total of six years of service). Currently, Officers must achieve the requirements of the position and complete six years of service before they are eligible for a career progression to the rank of Master Police Officer. An additional position (1 FTE) will be added in the FY 2019-20 budget for the continued implementation of this program if required. - **Jones and Wood**
14. Modify 1.7 part-time Psychiatrist FTEs in the Human Services Department to one full-time Psychiatrist and a 0.25 part-time Psychiatrist position (total of 1.25 FTEs). On March 20, 2018, City Council adopted an ordinance to make this change in the department's FY 2017-18 operating budget; however, due to the timing of that ordinance in relation to the drafting of the City Manager's Proposed Budget, the Proposed Budget reflects the part-time 1.7 Psychiatrist FTEs. As with the ordinance adopted in March, this adjustment in the FY 2018-19 operating budget is cost neutral. - **Kane**
15. In order to comply with new United States Department of Defense security requirements, which prohibit unauthorized visitors to the Joint Expeditionary Base (JEB) from driving personal vehicles on to the base, add \$210,857 to the Tourism Investment Program (TIP) Fund for the purchase of two 12-passenger shuttle buses and related operating costs for the Preservation Virginia Cape Henry Landmarks/Fort Story Shuttle Grant. The City, Preservation Virginia and JEB Command staff have developed this option for addressing the new security mandates while also continuing to provide public access to the Preservation Virginia-owned original lighthouse and First Landing monuments across the street. Preservation Virginia will fund the operators for these shuttles and when not in use for this purpose, the shuttle buses will be utilized by the Convention and Visitors Bureau for tourism and Convention Center related activities. In order to offset this increase, the TIP Fund Reserve for Contingencies will be reduced by the same amount. - **Wilson and Uhrin**
16. Add \$105,000, including one FTE, to the operating budget of EMS for the establishment of a City Paramedicine program. The purpose of this program is to provide proactive medical services to individuals who frequently call upon the City's emergency medical resources for routine medical assistance. - **Jones and Wood**
17. Add \$50,000 to the Convention and Visitor's Bureau to support marketing and advertising efforts for the 2019 induction ceremonies for the Virginia Sports Hall of Fame and to help solidify the Hall of Fame's presence at Town Center. - **Wood, Dyer, and Davenport**

18. Based on input from the Agricultural community, restore the dedication of the Real Estate tax to the Agricultural Reserve Program (ARP) from 0.15¢ to 0.9¢. In FY 2018-19, this will restore \$4.1 million in real estate tax in the ARP and reduce the same amount from the General Fund. The \$4.1 million to the ARP is reallocated for operating costs (including 1.48 FTEs) in the Agriculture Department, debt service, and a \$990,000 transfer to the Storm Water section of the CIP. It also reduces \$513,719 in specific fund reserves in the ARP. Likewise, \$4.1 million of real estate tax revenue will be reduced from the General Fund, with a reduction of General Fund support for the operating expenditures in the Agriculture Department (including the 1.48 FTEs) and a \$3.9 million reduction in the transfer from the General Fund to the CIP. - **Henley**

In order to ensure that the Southern portion of the City has adequate resources to combat storm water issues, the Agricultural reserve program will provide \$990,000 a year to CIP 7-024 “Southern Canal/Lead Ditch and Culvert Improvements” ensuring that an annual appropriation of \$1,390,000 will be programmed in that project. A one-time contribution of \$1.5 million in ARP Fund Balance to CIP 7-047 “Ashville Park Drainage Improvements” is also included. A copy of the updated project detail sheets is attached. - **Henley**

19. Current Funding for Sister Cities is \$21,000 (\$12,000 for stipends and \$9,000 for operating expenses and receptions). Sister Cities has submitted a modified budget to redirect the stipends to help cover some of the travel costs and program costs. They require an additional \$20,500 to adequately fund their expanding programs and international agenda. - **Wood**
20. Add \$21,000 to the Human Resources Department operating budget for the City’s Human Rights Commission to fund additional commissioner memberships, professional development of commissioners, travel for the City coordinator, and marketing and promotion of the Commission. – **Kane and Dyer**
21. In order to incorporate the budget amendment adopted by the Virginia Beach School Board on April 24, 2018, reduce the City Manager’s Reserve in the School Budget by \$558,063 and add \$275,000 to the Schools Operating Budget to enhance landscape management frequencies at School owned properties and add \$283,063 and authorize 4.0 Behavior Interventionist positions in the Office of Student Support Services. The \$558,063 is funding associated with additional revenue calculated in the City/School Revenue Sharing Formula that was not included in the School’s adopted operating budget. - **School Board**
22. Add \$250,000 to the Non-Departmental Budget for the purpose of providing a 10-year, interest free loan to the Green Run/Princess Anne Little League. The purpose of this loan is to assist the League with the build out of their complex to include utilities, bathrooms, a snack bar, parking, and bleachers. - **Kane**
23. Increase CIP 9-041 “Virginia Beach Sports Center” by \$3 million, bringing the FY 2018-19 appropriation to that project to \$54 million and the total City portion of the project to \$58 million. In order to offset this increase in the Sport Center project, a reduction of \$3 million

will be made from CIP 9-045 “Central Beach and Convention Districts Parking” bringing the FY 2018-19 appropriation to that project to \$7 million. - *Uhrin*

24. In order to provide greater clarity to the scope of several capital projects, the following project scopes are amended as follows:

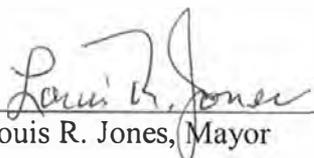
- a. For CIP 2-138 “Atlantic Avenue Reconfiguration” add a sentence at the end of the Description and Scope that states “The acquisition of necessary property and easements is authorized **but limited to the current funding appropriated.**” No additional appropriation is required. – *Hansen* (An updated project detail sheet is attached reflecting this revision).
- b. For CIP 7-047”Ashville Park Drainage Improvements” the title, project language, and schedule are amended to reflect current funding for Phase 1 per the attached project detail sheet. - *Moss and Henley* (An updated project detail sheet with additional clarifying language is attached).

25. **Add \$50,000 in FY 2019-20 to CIP 9-008 “Historic Kempsville” for Kempsville CAC streetscape improvements. This project increase will be supported by an increase in General Fund pay-go.** - *Abbott*

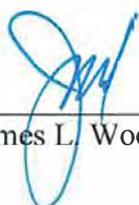
The details for the funding sources and the adjustments are identified on the attachments.

I want to thank the public who came out to the various town hall meetings and public hearings to offer their comments on the FY 2018-19 Operating Budget and CIP as well as staff for their efforts to provide answers to our various questions. If you have any questions, please contact me directly.

Sincerely,



Louis R. Jones, Mayor



James L. Wood, Vice Mayor

Attachments

Operating Budget Changes

Item on Letter	Description	Fund	Revenue	Appropriations	FTE
1	Reduce Personal Property Tax Revenue	GF	(1,869,023)		
2	Eliminate Resource Management Captain (Fire Department)	GF		(78,797)	-1.0
2	Reduce New Police Officer Positions from 10 to 5 (Police Department)	GF		(534,753)	-5.0
2	Eliminate ERP Support Position (Finance Department)	GF		(97,407)	-1.0
2	Reduce one position to Environmental Management Office (Public Works)	GF		(100,000)	-1.0
2	Reduce the General Fund Transfer to the CIP	GF		(475,000)	
3	Eliminate \$1 per month Waste Management Collection Fee	WM	(1,476,000)		
3	Increase Revenue in Wate Management Enterprise Fund - Transfers	WM	1,476,000		
3	Increase TIP Fund Transfer to Waste Management Enterprise Fund	TIP		1,476,000	
3	Reduce TIP Fund Reserve for Future Commitments	TIP		(1,476,000)	
4	Eliminate the 10¢ per pack increase in the Cigarette Tax Rate	GF	(1,547,980)		
5	Eliminate the \$2 Automobile License Fee	GF	(768,380)		
6	Establish a Negative Compensation Reserve	GF		(2,316,360)	
7	Eliminate the previously adopted 2.5¢ per day ERU rate increase	SWU	(2,290,379)		
7	Eliminate new positions for Storm Water Center of Excellence	SWU		(335,680)	-2.0
7	Eliminate new positions for ther Surface Water Regulatory Division	SWU		(483,667)	-3.0
7	Eliminate new position for Storm Water Permit Data Management	SWU		(94,967)	-1.0
7	Eliminate new position for Storm Water Construction Inspections	SWU		(100,545)	-1.0
7	Eliminate new positions for Storm Water Management Facilities/Environmental Maintenance Crew	SWU		(725,832)	-2.0
7	Reduce Storm Water Utility Fund Reserve for Future Commitments	SWU		(425,001)	
7	Reduce Storm Water Utility Fund Compensation Reserve	SWU		(124,687)	
8	Increase Interest Income	GF	233,133		
9	Decrease General Fund Debt Service	GF		(858,763)	
10	Increase 599 Funding	GF	417,670		
12	AEMT Stipend for Firefighters	GF		180,000	
13	Police Department Workforce Development Program	GF		300,000	2.0
14	Reduce Part-Time Psychiatrist Position in Human Services	GF		(270,309)	-1.7
14	Add Full-Time Part - Time Psychiatrist Positions in Human Services	GF		270,309	1.25
15	Preservation Virginia Cape Henry Landmarks/Fort Story Shuttle Grant	TIP		210,857	
15	Reduce Reserve for Future Commitments	TIP		(210,857)	
16	Community Paramedicine Program	GF		105,000	1.0
17	Virginia Sports Hall of Fame	GF		50,000	
18	Reduce Real Estate Tax Revenue in the General Fund	GF	(4,128,248)		
18	Reduce Revenue in Capital Projects Funds	CIP	(3,395,557)		
18	Reduce the General Fund Transfer to the CIP	GF		(3,910,557)	
18	Reduce Appropriation to Capital Project Funds	CIP		(3,395,557)	
18	Reduce General Fund Operating Costs in the Agriculture Department	GF		(217,691)	-1.48
18	Increase Real Estate Tax Revenue in the Agricultural Reserve Program	ARP	4,128,248		
18	Reduce Specific Fund Reserves in the Agricultural Reserve Program	ARP	(513,719)		
18	Increase Operating Costs in the Agricultural Reserve Program	ARP		217,691	1.48
18	Increase the Transfer from the Agricultural Reserve Program to the CIP	ARP		990,000	
18	Increase Debt Service in the Agricultural Reserve Program	ARP		2,406,838	
19	Increase Contribution to Sister Cities	GF		20,500	
20	Human Rights Commission	GF		21,000	
21	Reduce City Manager Reserve	School OF		(558,063)	
21	Increase Landscape Management	School OF		275,000	
21	Behavior Interventionists - Office of Student Support Services	School OF		283,063	4.0
22	Loan to Green Run/Princess Anne Little League	GF		250,000	

CIP Changes

	Item on Letter	ATD	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Appropriation Changes								
CIP 3-695 21st Century ERP	2	-	(375,000)	375,000	-	-	-	-
CIP 3-157 Facilities Planning Services	2	-	(50,000)	-	-	-	-	-
CIP 9-081 "Strategic Growth Area Projects	2	-	(50,000)	-	-	-	-	-
7-041 Central Resort District Drainage Improvements	18	-	(1,500,000)	(4,000,000)	-	-	-	-
7-413 Neighborhood SW Infrastructure Improvements II	18	-	(410,557)	(39,596)	(100,000)	(600,000)	(600,000)	(600,284)
7-024 Southern Canal/Lead Ditch and Culvert Improvements	18	-	990,000	990,000	916,872	779,610	637,581	490,936
7-055 Canal Management Phase I	18	-	(500,000)	(1,000,000)	(2,000,000)	(1,500,000)	(1,500,000)	(1,500,000)
7-151 Eastern Shore Drive Drainage Phase I	18	-	-	1,000,000	-	-	-	-
7-005 North lake Holly Watershed	18	-	-	-	(2,000,000)	-	-	-
7-414 Storm Water Quality Enhancements II	18	-	-	-	300	-	-	-
7-053 Lake Bradford/Chubb Lake	18	-	-	-	-	(2,000,000)	(2,000,000)	(2,000,000)
9-041 Virginia Beach Sports Center	23	-	3,000,000	-	-	-	-	-
9-045 Central Beach and Convention Districts Parking	23	-	(3,000,000)	-	-	-	-	-
9-008 Historic Kempsville	25	-	-	50,000	-	-	-	-
Total CIP Appropriation Changes:			(1,895,557)	(2,624,596)	(3,182,828)	(3,320,390)	(3,462,419)	(3,609,348)
Revenue Changes								
Federal Revenue 7-041 Central Resort District Drainage Improvements	18		(1,500,000)	-	-	-	-	-
Federal Revenue 7-047 Ashville Park Drainage Improvements	18		1,500,000	-	-	-	-	-
ARP Fund Balance 7-047 Ashville Park Drainage Improvements	18		1,500,000	-	-	-	-	-
General Fund Pay-as-you-Go	2,18,25		(4,385,557)	(3,614,596)	(4,172,828)	(4,310,390)	(4,452,419)	(4,599,348)
ARP Pay-as-you-Go	18		990,000	990,000	990,000	990,000	990,000	990,000
Total CIP Revenue Changes:			(1,895,557)	(2,624,596)	(3,182,828)	(3,320,390)	(3,462,419)	(3,609,348)

City of Virginia Beach, Virginia Fiscal Years 2018-19 through 2023-24 Capital Improvement Program

Project: 7047000 | **Title:** Ashville Park Drainage Improvements Phase I | **Status:** Proposed

Category: Storm Water | **Department:** Public Works

Project Type | **Project Location**

Project Type: New Facility Construction/Expansion | **District:** Princess Anne

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY 2019	Non-Appropriated Programmed CIP Funding					Future Funding
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
12,000,000	2,000,000	6,000,000	4,000,000	0	0	0	0	0

Description and Scope

A top priority for City Council is the management and planning of programs as they relate to areas of the City which experience recurrent flooding. Ashville Park neighborhood drains through 15 on site interconnected BMPs to Ashville Bridge Creek and then to Muddy Creek and ultimately into Back Bay. This project is for Phase I which includes design, property acquisition, and construction of stormwater drainage improvements necessary to improve roadway flooding and eliminate residential structural flooding in the Ashville Park neighborhood. The drainage improvements include, three new BMPs, expansion of an existing BMP, two new channels, stabilization and maintenance of existing ditches, a storm water pump station, a new weir that controls the water surface elevations within the entire drainage system as well as the rate of storm water discharge, and ditch and culvert improvements associated with raising Sandbridge Road at the New Bridge Road intersection.

Purpose and Need

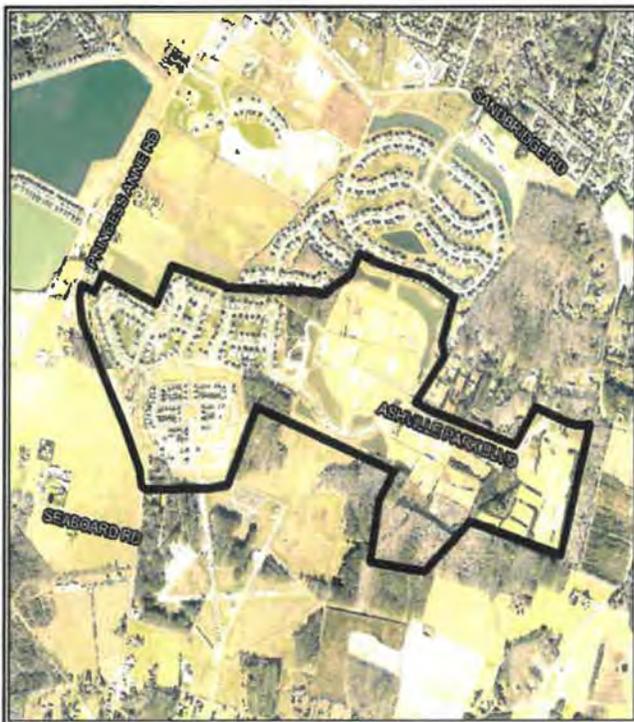
During intense rainfall events and windblown tidal events that are accompanied with moderate rain events, Ashville Park experiences wide spread flooding. During severe rainfall events including three in 2016 (Tropical Storm Hermine Sept. 1, 2016; Tropical Storm Julia Sept. 19, 2016; Hurricane Matthew Oct. 2016) residential structural flooding was experienced. Additionally, extreme roadway flooding occurred which made the neighborhood roads impassable. For several days, residents could neither enter nor leave their neighborhood. This project will improve stormwater management within the neighborhood to relieve the wide spread flooding. Public Works has completed a drainage study which evaluated potential drainage improvements which were used to scope this project. This project is divided into multiple phases. The next phase will include improvements to neighborhood stormwater inlets and piping, additional canals and storage BMPs and improved capacity to convey stormwater to Ashville Bridge Creek.

History and Current Status

This project first appeared in the FY 2017 18 CIP. The Stormwater Model has been completed for the project and initial design is underway for the first phase of drainage improvements. Should a cost participation agreement for this project be approved by City Council it will be recommended that those funds be used to mitigate the use of local funding within this project. The new channels and BMPs, as well as the BMP expansion will be constructed by the developer while the City will design and construct the weir, the pump station and the intersector improvements at the New Bridge Road/Sandbridge Road intersection. The current schedule of activities reflects the schedule for Phase I of the project. Phase II is currently not funded.

Operating Budget Impacts

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	07/17 - 12/21	1,900,000
Private Utility Adjustments	10/18 - 10/19	100,000
Construction	05/18 - 12/21	8,400,000
Contingencies	07/17 - 12/21	1,600,000
Total Budgetary Cost Estimate:		12,000,000

Means of Financing

Funding Subclass	Amount	
Local Funding	9,000,000	
Federal Contribution	1,500,000	
Fund Balance - Agriculture Reserve	1,500,000	
Total Funding:		12,000,000

City of Virginia Beach, Virginia Fiscal Years 2018-19 through 2023-24 Capital Improvement Program

Project: 2138000		Title: Atlantic Avenue Reconfiguration				Status: Proposed		
Category: Roadways				Department: Capital Improvement Program				
Project Type: Rehabilitation/Replacement					Project Location: District: Beach			
Programmed Funding								
Programmed Funding	Appropriated To Date	Budgeted FY 2019	FY 2020	Non-Appropriated Programmed CIP Funding			FY 2024	Future Funding
245,000	245,000	0	0	FY 2021	FY 2022	FY 2023	0	2,480,000

Description and Scope

This project will reconfigure Atlantic Avenue from 40th Street to Pacific Avenue, a distance of approximately 500 feet, removing the Atlantic Avenue/Pacific Avenue intersection and providing a cul-de-sac of Atlantic Avenue at the Cavalier Hotel property. 40th Street will be widened to accommodate an additional left turn lane at both Pacific Avenue and Atlantic Avenue as well as geometric changes at the 40th Street/Pacific Avenue intersection to provide new left turn lanes both northbound and southbound along Pacific. The project also includes two new traffic signals, one at 40th Street/Pacific Avenue and one at 42nd Street/Pacific Avenue. The acquisition of necessary property and easements is authorized but limited to the current funding appropriated.

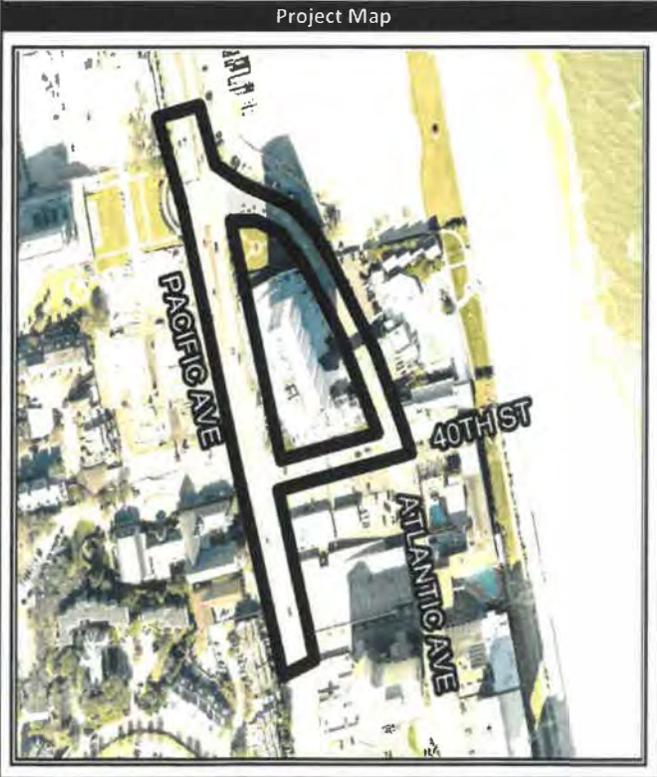
Purpose and Need

This project will improve pedestrian/bicycle mobility demands in the Atlantic/Pacific Avenue area and expand access from the Oceanfront Boardwalk to the north end of the Resort Area. The proposed improvements would be accomplished in conjunction with the development of the Cavalier Hotel property. The project is designed to facilitate efficient and safe vehicular and pedestrian circulation into a large conference center and resort. The reconfiguration of Atlantic Avenue will allow for better access to the proposed development while not adversely impacting the motoring public using Atlantic Avenue and Pacific Avenue.

History and Current Status

This project first appeared in the FY 2017-18 CIP. Public Works continues to try to secure a grant to complete the majority of the work within this project scope.

Operating Budget Impacts



Schedule of Activities

Project Activities	From - To	Amount
Design	08/17 - 01/19	322,000
Private Utility Adjustments	07/24 - 06/25	238,000
Construction	07/25 - 03/26	1,841,000
Street Lights	04/26 - 07/26	77,000
Contingencies	08/17 - 07/26	247,000
Total Budgetary Cost Estimate:		2,725,000

Means of Financing

Funding Subclass	Amount
Local Funding	245,000
Total Funding:	245,000

Vertical Compression

Employee File Date: 04/03/2018

Vertical Compression Calculations		
Supervisory Group	Required Supv Salary Increase	# Awards
FT General	\$488,030	92
Benefits (.21575)	\$105,293	
Total Costs	\$593,323	
Fire	\$267,388	29
Police	\$108,659	11
EMS	\$48,127	7
ECC	\$573	2
Sheriff	\$6,081	5
<i>SWORN Total</i>	<i>\$430,827</i>	<i>54</i>
Benefits (.21575)	\$92,951	
Total Costs	\$523,778	
Salary Total	\$918,857	
Benefits (.21575)	\$198,243	
Total Costs	\$1,117,101	
# Empls Recvg		146
Rule Followed:		
FT General-Where Compression is found, the supervisor is taken \$1 above the compressing salary		
Protective Services-Compression determined by highest salary in lower rank. Compressed supervisor is taken \$1 above the compressing salary.		

Horizontal Compression Awards

Employee File Date: 04/03/2018

Dept	#Empls	#Awards	\$ Awards	Job Title	#Empls	#Awards	\$Awards
AGR	7	7	2000	Deputy Sheriff/Captain (State)	8	8	800
AUD	5	5	1000	Deputy Sheriff/Lieutenant (State)	12	12	1500
CAD	39	39	11800	Deputy Sheriff/Sergeant (State)	29	29	11600
CCC	55	55	12100	Deputy Sheriff/Master Deputy (State)	61	61	30800
CIR	12	12	2000	Deputy Sheriff (State)	312	312	153700
CIT	161	161	33100	Fire Chief	1	1	0
CLK	4	4	0	Fire Deputy Chief	2	2	0
CMD	14	14	600	Fire District Officer	6	6	500
COM	17	17	1800	Fire Battalion Officer	23	23	5900
COR	57	57	9100	Fire Captain	101	101	39919
CUL	3	3	900	Master Firefighter Medic	51	51	16648
CVB	104	104	20446	Master Firefighter	146	146	83366
CWA	83	83	14100	Firefighter Medic	19	19	2000
ECC	104	104	5000	Firefighter	99	99	500
ECO	19	19	1500	Firefighter Recruit	29	29	0
EMS	77	77	10600	Police Chief	1	1	0
FIN	57	57	6200	Police Deputy Chief	3	3	0
FIR	505	505	159532	Police Captain	12	12	2500
GRD	11	11	0	Police Lieutenant	25	25	8100
HNP	71	71	19720	Police Sergeant	94	94	40470
HRD	44	44	5800	Master Police Officer	379	379	212517
HSD	905	905	281485	Police Officer	255	255	46400
JUV	3	3	1000	Police Officer Recruit	3	3	0
LIB	184	184	46745				
MSB	13	13	900	SWORN	Totals	1671	\$657,219
MUS	96	96	14300		Benefits		\$141,795
OEM	4	4	500		Grand Total		\$799,014
PAR	451	451	127240				
PHD	8	8	1100	General Employees	Totals	4301	\$1,069,312
PLN	126	126	26700		Benefits		\$230,704
POL	946	946	345916		Grand Total		\$1,300,016
PUD	370	370	103363				
PWD	843	843	234084	Combined	Totals	5972	\$1,726,531
REA	31	31	4100		Benefits		\$372,499
SHF	477	477	205400		Grand Total		\$2,099,030
STR	3	3	0				
TRE	63	63	16400				
Grand Total	5972	5972	1726531				

Award Criteria:

Different Salaries within same year of title service - not compression

Compression Award Values:

\$100 per year of service in title; up to 10yrs or \$1,000

Special Note: To "fix" compression at this point in time, would require 4,606 awards totaling \$38.4M including payroll taxes and benefit costs



City of Virginia Beach

VBgov.com

OFFICE OF THE CITY MANAGER
(757)-385-4242
FAX (757) 427-5626
TTY: 711

MUNICIPAL CENTER
BUILDING 1
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23456-9001

March 27, 2018

The Honorable William D. Sessoms, Jr., Mayor
Members of City Council

Subject: FY 2018-19 Proposed Resource Management Plan

Dear Mayor and Council Members:

I respectfully submit to you the City of Virginia Beach's proposed Fiscal Year (FY) 2018-19 Operating Budget and FY 2019-FY 2024 Capital Improvement Plan (CIP).

The budget documents detail revenue streams, funding and resource allocation strategies that we will review in detail over the next several weeks. More than a collection of numbers, though, what this budget represents is how we choose to operate as a City; that is, what kind of City we want to be and what investments help improve the quality of life for our residents, make our schools strong, help businesses prosper, support our military and encourage people to visit.

Virginia Beach maintains a reputation as one of the best cities to visit and as the results of our recent Citizen Satisfaction Survey indicate, more than 94% of our residents report great satisfaction with living here and nearly 91% are satisfied with City services. We work every day to make it so. Truly great cities like Virginia Beach don't just happen. They are built consciously and deliberately with the steadfast leadership of elected officials, the hard work and dedication of employees and the active engagement of an informed community.

This budget represents the foundation upon which we annually commit to certain performance objectives, specific investment priorities and service standards for our residents. As such, we take very seriously the responsibility to put before you a plan that aligns financial and employee resources with the City Council's goals and priorities and reflects the needs of our entire community. It continues our commitment to ensuring our funding strategy is fiscally sound, that City operations are efficient and effective, and that our essential mission of delivering quality services is fulfilled.

The FY 2018-19 proposed budget totals just over \$2 billion. It reflects a modest 2.4% increase as compared to the FY 2017-18 budget. The FY 2018-19 capital budget, which incorporates roadways, schools, storm water and municipal buildings among other infrastructure sections, totals \$396.6 million with another \$1.35 billion programmed for planning purposes over the following five years.

Last year, we were able to begin addressing nearly 10 years of backlog in service needs and infrastructure projects due to the 8-year long economic downturn. This budget continues the rebuilding process. I am pleased to report that the funding strategy presented here is structurally balanced and appropriately conservative so as to meet all financial

commitments, including maintaining sufficient reserves to protect the City’s triple-A bond rating. It maintains or expands on some service areas and translates the priorities established by the Mayor and City Council into actionable initiatives.

The proposed General Fund operating budget – supported primarily by property taxes, sales taxes, business license taxes, utility taxes and fees – focuses on sustaining essential service operations, ensuring long-term resiliency and advancing projects critical to maintaining and repairing our aging infrastructure.

Virginia Beach has the lowest real estate taxes among the seven cities of Hampton Roads. After careful review of the range of options available for responsibly addressing our community’s needs, this budget proposes no additional real estate tax rate increase.

For the 4th year in a row, there is no increase proposed for water or sanitary sewer service. It is necessary to increase the solid waste collection fee \$1 a month to cover increasing costs for landfill operations, capital replacement, maintenance and monitoring.

The budget also includes a previously approved increase in the storm water fee of 2.5 cents per day; the second annual increase adopted by City Council as part of a five year plan. This will increase the average customer bill \$9.12 over the entire year (76 cents extra per month).

Other recommended increases:

- 10 cents in the personal property tax rate dedicated to public safety (from \$4.00 to \$4.10 per \$100 assessed).
- \$2.00 on the automobile license fee
- 10 cents in the cigarette tax dedicated to economic development efforts (from 75 cents to 85 cents per pack).
- Various fees mainly in the departments of Parks and Recreation and Planning

It also recommends reallocating .7 of the .9 cent of real estate taxes dedicated to the Agricultural Reserve Program (ARP) to address storm water projects by providing almost \$75 million over the next 15 years. An additional .05 of the .9 cent dedicated to ARP will return to the General Fund to support the Agriculture Operating Budget leaving .15 cent in the ARP, which, along with the available fund balance, will be used to pay current contractual interest payments with no additional acres purchased in the program as of July 1, 2018.

The Virginia Beach Public City Schools’ implementation of full-day kindergarten continues with 12 more elementary schools being included in the program. At the start of the 2018-19 school year, full-day kindergarten will be available in 35 schools across the city. The following are the proposed schools for the phase 2 expansion:

- | | | |
|--------------|----------------------|----------------|
| - Alanton | - Arrowhead | - Indian Lakes |
| - Kempsville | - Kempsville Meadows | - Kings Grant |
| - Landstown | - Ocean Lakes | - Providence |
| - Salem | - Windsor Woods | - Woodstock |

The School Board proposed operating budget includes funding for 28 additional teaching positions which will be spread across elementary (8.6), middle (4.4), and high schools (15). These new positions will help decrease class sizes in the subject areas with the greatest enrollment. In the high schools, these positions will reduce the number of teachers that are assigned more than 150 students.

New for FY 2018-2019

The City Council’s 10 goals and established priorities guided the construction of the 2018-19 Operating Budget and FY 2018-19 through FY 2023-24 CIP. Among the major recommendations in the FY 2018-19 budget are the following:

- Additional positions and CIP funding for expansion of the storm water management program
- Continuing phase-in of police body cameras
- Adding 10 police officers as part of a five-year plan

- Investments to grow biomedical and cyber security strategic economic clusters
- Opening of the Housing Resource Center
- Continuing expansion of Summer Youth Employment Program
- Adding over \$300 million for road construction over the six year planning period
- Fair compensation for City employees while holding down healthcare costs
- Investing in upgrades to further enhance customer service and efficiency in Planning and Neighborhood Development
- TIP Funding for projects in the Entertainment District to keep Virginia Beach a competitive tourist destination by modernizing offerings and growing year-round activities
- Funding for critical technology projects, including the Enterprise Resource Planning financial systems, Human Resource Management, document and plans submittal, and agenda management
- Adding landscaping services for new facilities
- Enhancing services to existing facilities, and reducing the mowing cycle time of our schools
- Begin a multi-year sustainability plan for maintenance of the Sportsplex infrastructure
- Adding over \$275 million for school construction over the six year planning period

Employee Compensation

The City of Virginia Beach is fortunate to have a workforce that goes above and beyond the call of duty to service this community. While they provide exceptional services each and every day, the major storms (hurricanes and snow) that hit our community last year shine as examples of their dedication and commitment. Recruiting and retaining outstanding employees is one of the most important things we do as a City. This budget includes:

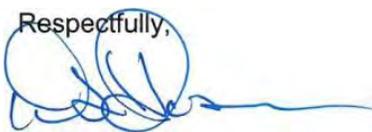
- 2% merit raise for full-time City employees based on the mid-point of the range or a lump-sum increase for employees at the end of their range; Part-time employees will receive a 2% general increase. Schools employees will receive a commensurate 2% increase (1.5% cost of living increase and .5% STEP increase for eligible employees). Please note that a 1% increase in employer and employee health insurance premiums are planned for CY 2019.
- 71.25 new City positions; the majority are in public safety and in areas that either have external funding sources or that deliver services to the most vulnerable members of our community. For example, there are 10 positions allocated to Human Services, 23 for Public Works and 23 for public safety, several are conversions from contractual to full-time employees.
- Replacing birthday leave, available to employees with 10 or more years of service, with a flexible holiday available to all employees regardless of tenure.
- Adding Christmas Eve as a full-day holiday.

Conclusion

Virginia Beach continues to have the best schools, the lowest crime rate, the most parks and recreation centers, the biggest library system, and the best roads of any city in Hampton Roads. These achievements are the result of careful and deliberate decision-making that have been the hallmark of this municipality, and this budget continues that work. This does not mean we were without difficult choices. There are worthy projects and services that did not get funded. However, with guidance outlined in City Council priorities and the City's vision for the future, I believe you will find this funding strategy keeps Virginia Beach moving ahead.

I look forward to discussing this with you in the coming weeks.

Respectfully,



David L. Hansen
City Manager

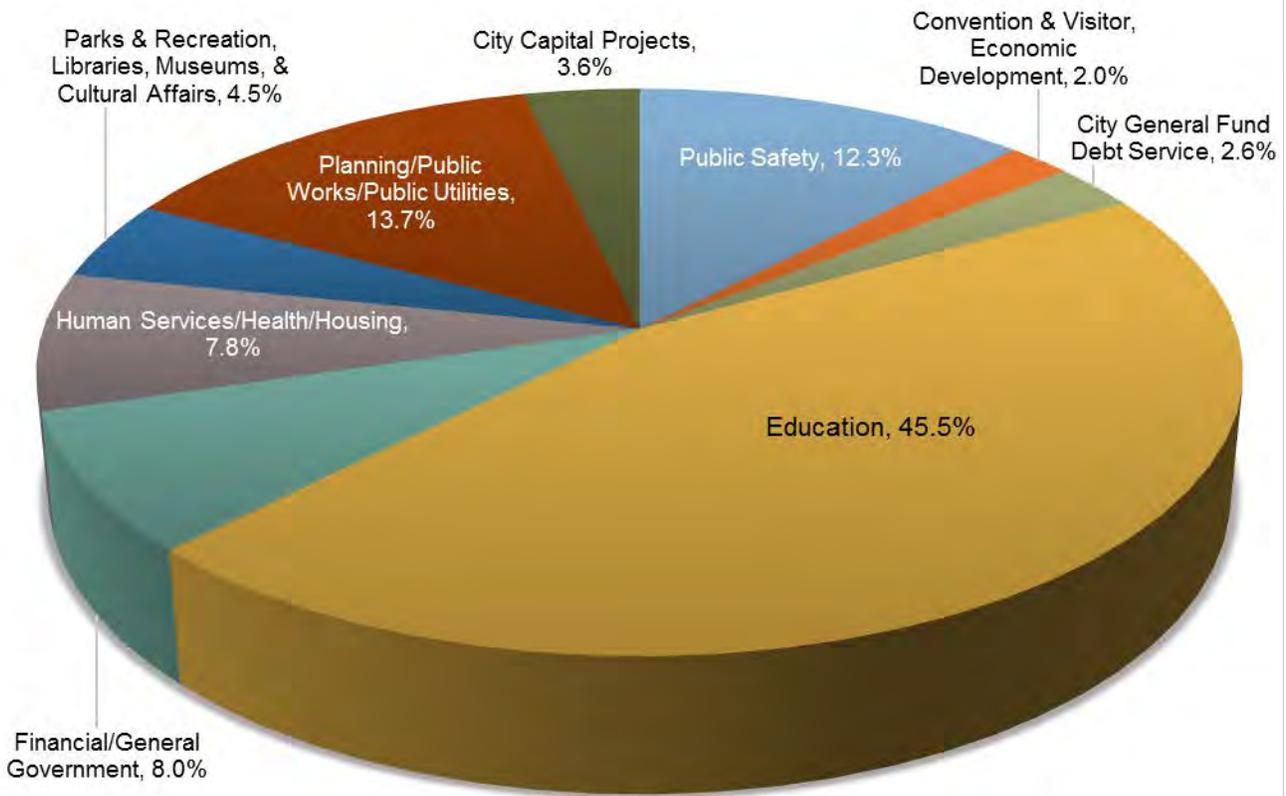
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SCHEDULE OF WORKSHOPS & PUBLIC HEARINGS

MAR 27	Budget Presentation to Council City Manager’s FY 2018-19 Operating Budget and Capital Improvement Program “Proposed Budget” to City Council	Council Conference Room
APR 3	Council Workshop	Council Conference Room
APR 10	Council Workshop	Council Conference Room
APR 17	Council Workshop	Council Conference Room
APR 24	Council Workshop	Council Conference Room
APR 25	Public Hearing	Virginia Beach Convention Center 6:30 p.m.
MAY 1	Council Workshop Public Hearing	City Council Chambers 6:00 p.m.
MAY 8	Reconciliation Workshop	Council Conference Room
MAY 15	Council Votes on Budget The FY 2018-19 Operating Budget and Capital Improvement Program	City Council Chambers 6:00 p.m.

APPROPRIATIONS

FY 2018-19 Operating Budget Total Estimated Appropriations



Overall, the FY 2018-19 Operating Budget is increasing 2%, which is less than the 2.6% 2018 inflation rate Kiplinger’s Economic Periodical is forecasting. The greatest portion of City resources are dedicated to the City Council priorities of education (45.5%), infrastructure (13.7%) and public safety (12.3%). An illustration of how City resources are allocated can be viewed in the pie chart above. Total City positions are increasing 56.80 FTEs and Schools are increasing 125.65 FTEs.

The Operating Budget has generally been expressed in terms of the “Net Budget.” In FY 2018-19 the net budget is just over \$2 billion. The calculation of the net budget is illustrated below and involves eliminating the duplication of funding between the various City accounting funds (interfund transfers and internal service funds). For example, the transfer of revenues from the City’s Operating Budget to the School’s Operating Budget and City garage charges would be duplicated if not netted-out of the calculation below.



Even though the Operating Budget is growing slower than the rate of inflation, there are still important cost drivers that are outside of the City’s control. Some of these factors are the VRS rate, unfunded mandates, and the natural growth associated with the procurement of goods and services.

FY 2017-18 provided the City with the opportunity to increase funding for key Council priorities. The current budget continues with this same trend and increases funding to public safety, education, economic development projects and initiatives, storm water projects and roadways. Further details about these initiatives are highlighted later within the Executive Summary as well as within the CIP and Operating Budget documents.

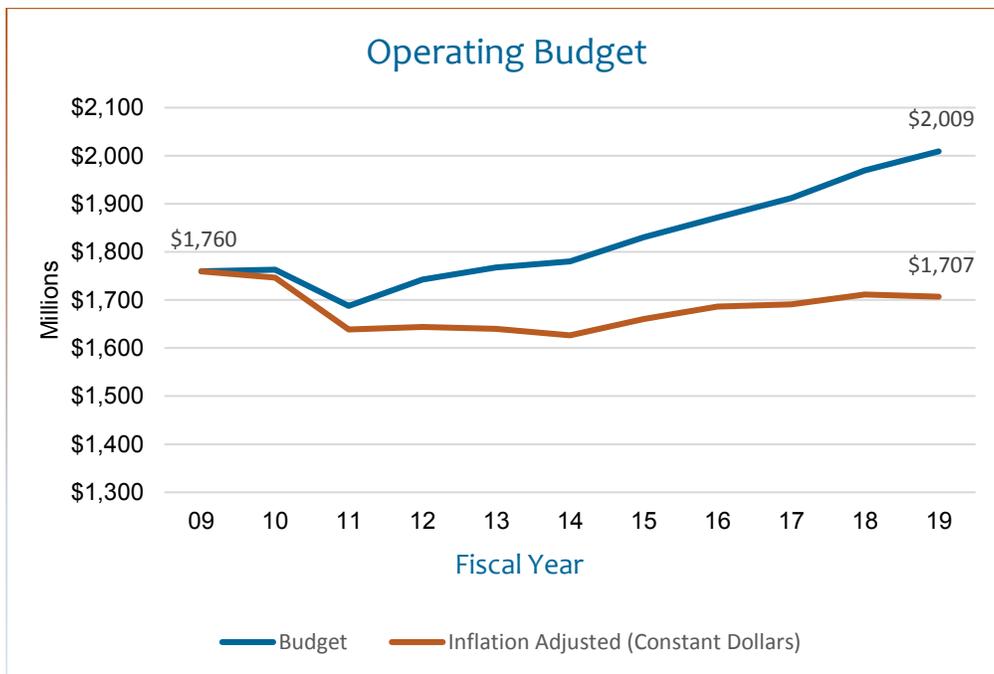
The following table details the 2.0% increase by major appropriation category:

Operating Budget by Appropriation Category

	FY 2017-18 Total City & Schools Adjusted Budget	FY 2018-19 City Budget	FY 2018-19 Schools Budget	FY 2018-19 Total City & Schools Budget	% Change	\$ Change
Personnel	895,909,202	395,181,350	516,902,795	912,084,145	1.8%	16,174,943
Fringe Benefits	320,898,737	135,877,754	193,540,646	329,418,400	2.7%	8,519,663
Operating Expenses	466,607,291	321,975,927	152,896,308	474,872,235	1.8%	8,264,944
Capital Outlay & Leases	27,881,494	21,761,589	7,992,702	29,754,291	6.7%	1,872,797
Debt Service	166,787,207	121,688,461	42,421,657	164,110,118	-1.6%	(2,677,089)
Pay-As-You-Go	68,951,409	72,071,819	500,000	72,571,819	5.3%	3,620,410
Reserves	22,642,561	26,269,695	-	26,269,695	16.0%	3,627,134
Total	\$ 1,969,677,901	\$ 1,094,826,595	\$ 914,254,108	\$ 2,009,080,703	2.0%	\$ 39,402,802

Note: The City's "Personnel" does not include funding for proposed salary increases. This funding is included in a "Reserve" account. The Schools proposed salary increase is included in "Personnel".

Climbing out of the Great Recession



Though fiscal conditions are improving as we move away from the Great Recession, overall economic health has not returned to its pre-recession levels. Over the last 10 years, the City’s total Operating Budget has increased by

less than 1.4% on average per year. When controlling for inflation and looking at the FY 2018-19 Proposed Operating Budget in true constant dollars, the City's Operating Budget is \$53 Million less than the FY 2008-09 Operating Budget. Although the budget growth has been less than the rate of inflation, City operations and services were expanded over that same time period to meet citizen demands for services. Some examples of service expansion over the last decade include: construction of the Animal Care Shelter, multiple Fire Stations, Housing Resource Center, Williams Farm Recreation Center and the Joint Use Library. These facility expansions resulted in the need for additional personnel and operating costs. In addition to the construction of new facilities, the City has expanded services and increased staffing levels for the Fire Department, Emergency Medical Services, Police, Parks and Recreation, Human Services and several others.

Major Themes of the FY 2018-19 Resource Management Plan

The following section describes the major themes that guided resource allocation decisions during the FY 2018-19 budget process.

Education

Investment in education has historically been a City Council priority, and this continues in FY 2018-19. The City continues to provide funding at a higher amount than what is required by the Standards of Quality (SOQ) by approximately \$265.2 million. With this funding, the Schools will continue to implement full-day kindergarten with 12 additional schools being included in the program for a total of 35 schools across the City. The Superintendent's Estimate of Needs (SEON) includes funding for 28 additional teaching positions which will be spread across elementary, middle, and high schools to reduce class sizes. Also included in the SEON are 25 additional staff positions: 12 high school counselors, 10 technology support technicians, and three instructional technology specialists. The Adopted Budget adds four behavior interventionist positions to the School's FY 2018-19 Operating Budget. These four positions were funded through additional revenue that was calculated in the City/School Revenue Sharing Formula that was not included in the School's adopted operating budget.

Public Safety Initiative

Virginia Beach has consistently ranked as one of the safest cities of its size. Virginia Beach continues to invest in public safety. The FY 2018-19 Operating Budget will include additional public safety positions and equipment such as two additional FTEs to implement the Workforce Development Program in the Police Department, the phase-in of body worn cameras, funding to purchase fire apparatus and equipment, one FTE for EMS to establish a City Paramedicine Program, and invest in personnel for the medical program in the Sheriff's Office. The following table shows the revenue and public safety initiatives funded with the 30 cent Personal Property tax rate dedication established in the FY 2014-15 Operating Budget.

Use of Personal Property Tax Dedication for Public Safety

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
CIP Uses							
Correctional Ctr Master Control Upgrade		1,715,401	3,284,599				
Police Oceanfront Cameras - Police	2,665,400						
Burton Station Fire/EMS Station	884,462		960,000				
Burton Station Fire/EMS - Equip					1,750,000		
Integrated Public Safety Records Management Systems (includes Sheriff)		2,478,520	2,717,815	1,233,777			
Sheriff Inmate Tracking and Status				1,036,930			
Increased Funding for Fire Apparatus Replacement				1,187,279	1,200,000	3,400,000	
Fire Asset Management System					567,749		
Police Special Investigations Video Storage					975,170		
EOC Space Revisions, Tech and Security				500,000			
Public Safety Equipment Replacement	727,500	727,500	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Operating Budget Uses							
Paramedics - Peak Call Demand (6 FTEs)	45,000	45,000		496,467	607,676	619,829	632,226
EMS Safety and Scheduling (1 FTE)					103,585	91,856	93,693
Fifth Fire Battalion (5 FTEs)				679,072	692,653	706,507	720,637
Oceanfront Cameras - Staffing & Licenses (6.4 FTEs)	447,700	584,260	702,640	716,693	731,027	745,647	760,560
Fire Resource Management Warehouse Lease		200,000	200,000	200,000	200,000	200,000	200,000
Public Safety Strength and Conditioning Specialist (1 FTE)					89,832	91,629	93,461
911 Operations Staffing - ECCS (4 FTEs)	147,438	303,723	312,834	319,091	325,472	331,982	338,622
Radio Replacement/In Mask Com Accountability - Fire annual license cost			302,830	308,887	315,064	321,366	327,793
Transition of SAFER Grant Firefighters (12 FTEs)					860,395	877,603	895,155
Burton Station - Fire (30 FTEs*)						1,019,103	2,222,015
Burton Station - EMS (6 FTEs*)						287,796	457,986
Sheriff Technology - IT Operating Budget			1,039,135	1,059,918	1,081,116	1,102,738	1,124,793
Body Cameras - Police Staffing (5 FTEs)			300,972	639,537	652,328	665,375	678,682
Body Cameras - Commonwealth's Attorney Staffing (13 FTE's)			224,184	259,668	564,204	843,123	1,001,045
Body Cameras - IT support costs			188,606	192,378	196,226	200,150	204,153
Additional Police Officers (25 FTEs) (20 FTEs*)			1,074,299	2,153,436	2,688,189	3,844,869	5,001,549
Deputies for Sheriff Medical Staffing (11 FTEs)			322,685	485,002	726,629	741,162	755,985
Total Expenditures	4,917,500	10,031,700	12,830,599	12,668,135	15,527,315	17,290,733	16,708,354
Personal Property Revenue	4,917,500	10,031,700	10,484,581	10,699,795	11,214,280	11,438,566	11,667,337
Revenue Remaining	0	0	(2,346,018)	(1,968,340)	(4,313,035)	(5,852,168)	(5,041,017)

FTEs listed include all positions that have been added through the adopted FY 2018-19 budget, unless they are signified with a *. Those positions are planned for future years within the time horizon displayed on this table.

Since the dedication of the Personal Property Tax to public safety in FY 2014-15, the City has been able to fund an additional 36.4 Police Department positions, four positions in Emergency Communications and Citizen Services, seven EMS positions, six Fire Department positions, 11 positions in the Sheriff's Office and seven positions in the Commonwealth Attorney's Office. In the FY 2019-20 Operating Budget, 15 firefighter positions and six EMS positions will be added for the initial phase of staffing when the Burton Station Fire/EMS Station opens. Please note, public safety initiatives will still need to be supported by other local revenue sources.

Economic Development

In order to grow the local economy and to keep taxes low, the City has dedicated considerable resources towards maintaining and developing infrastructure and tourism related projects. For FY 2018-19, the City is investing in the development of the Sports Center, Dome Site, Public Pier and resort parking. These projects are being supported by the Tourism Investment Program Fund (TIP) and will have no General Fund support. Further information on these projects can be found in the CIP Section of the Executive Summary.

Other economic initiatives include \$1.5 million in additional funding for the City's biomedical and cyber security initiatives. The biomedical funding will be used for a 30,000 square foot master lease of space in the first building of the biomed park. This space will be built-out with wet lab space and then be sublet to small or start-up bio companies as a part of the City's biomed incubator program. This subsidized lab space will spur development in the park and help incentivize biomed companies to locate and grow in Virginia Beach. The cyber security funding will allow the City to explore a public-private partnership to construct a cyber security engineering, research, and development space.

Infrastructure

Included in the Adopted Operating Budget is \$990,000 in funding from the Agricultural Reserve Program (ARP) being redirected to the Storm Water Capital Improvement Plan (CIP). The additional \$990,000 will support CIP Project 7-024 "Southern Canal/Lead Ditch and Culvert Improvements" to ensure that the Southern portion of the City has adequate resources to combat storm water issues. A one-time contribution of \$1.5 million in ARP fund Balance to CIP 7-047 "Ashville Park Drainage Improvements" is also included. Additional information on the dedication to maintaining our infrastructure can be found in the CIP Section of the Executive Summary.

Hiring and Retaining Qualified Staff

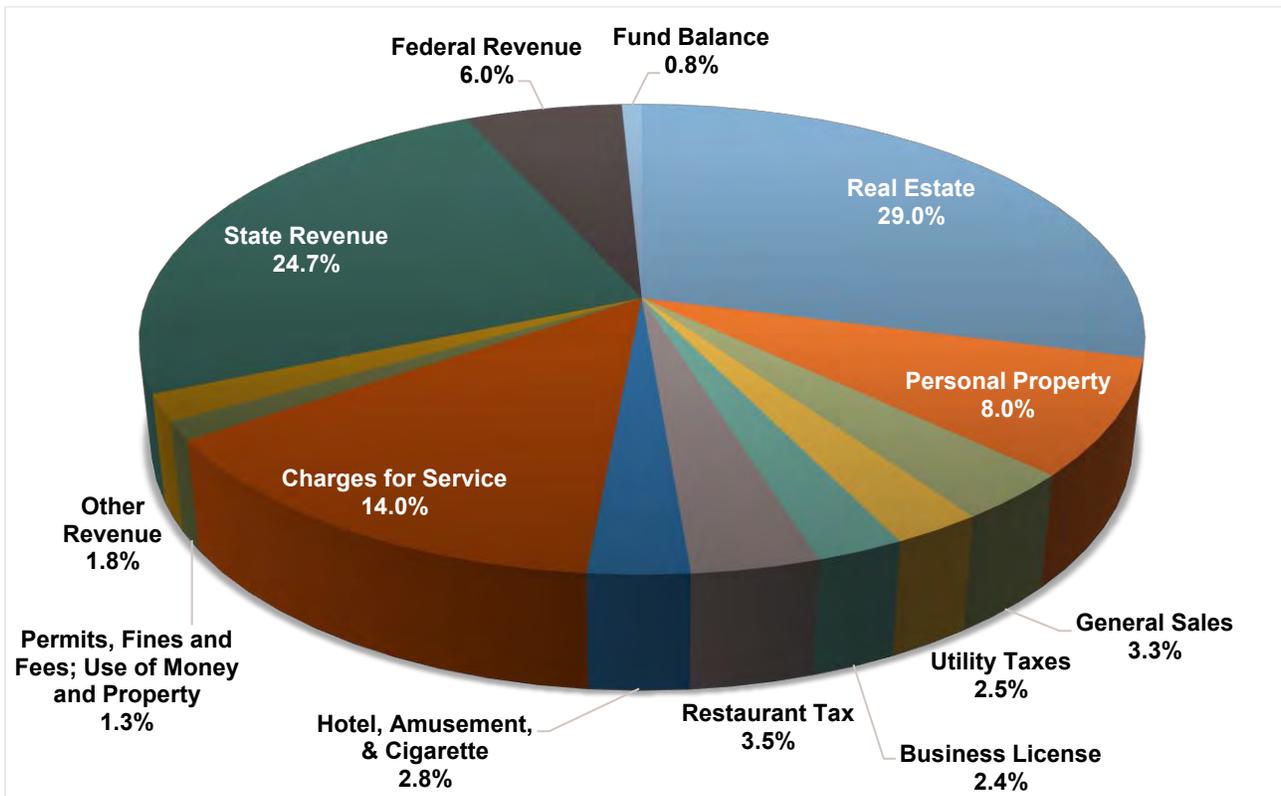
To achieve excellent services, it's critical that City and Schools hire and retain highly qualified and competent staff. Both the City and Schools have proposed 2% pay increases. From the City standpoint, the increase will be a merit increase based on the midpoint of their pay range, which rewards performance and reduces horizontal compression issues. For the approximately 320 positions at the top of their pay range, those employees will receive two lump sum payments based on 2% of the midpoint of their pay range. Part-time employees will also receive a 2% increase. The Adopted Budget also includes up to \$3 million dollars to address vertical and horizontal compression. This amount will be offset with savings from attrition and position vacancies. The Schools have adopted a 1.5% cost-of-living increase and a 0.5% step increase for eligible employees.

Other benefit enhancements are also included in the Adopted Budget. Currently, City employees with 10 years of service earn birthday leave during the pay period of their birthday. Birthday leave will be eliminated and all employees will earn an additional flexible holiday with this change in policy effective on January 1, 2019. Providing a flex holiday will not create overtime costs related to typical holidays. The second policy change is to provide Christmas Eve as a full holiday.

Health insurance for both the employer and employee will increase by 1% effective on January 1, 2019. For an employee using the Standard POS plan, this would cost an additional 50¢ per month, while a subscriber choosing family coverage would pay an additional \$4.66 per month. In addition to health care costs, employee retirement costs have also increased for FY 2018-19. The State mandated VRS rate has increased from 13.88% in FY 2017-18 to 14.54% in FY 2018-19. Schools also have a VRS rate increase from 14.66% to 16.32%.

REVENUE

FY 2018-19 Operating Budget Total Estimated Revenue



For the fifth straight year, real estate assessments are on the rise in Virginia Beach. At the same time, revenues driven by consumer behaviors such as the general sales, hotel, meals, and amusement taxes are also growing. This combination indicates that the overall economy of the City is on an encouraging trajectory. As the pie chart above illustrates, real estate is the largest single revenue source for the City. Therefore, the City's ability to fund services is heavily dependent upon the health of the housing market. The second largest revenue source for Virginia Beach is money received from the Commonwealth of Virginia, the vast majority of which is allocated to the Virginia Beach Public School System. Additional information about the growth of these revenues and the assumptions of the variables that make up each revenue are included in the Revenue section of the Operating Budget. Overall, revenue growth for the City of Virginia Beach in FY 2018-19 is 2.0%. This summary highlights several major revenue issues involved in the creation of this year's Operating Budget.

Revenues

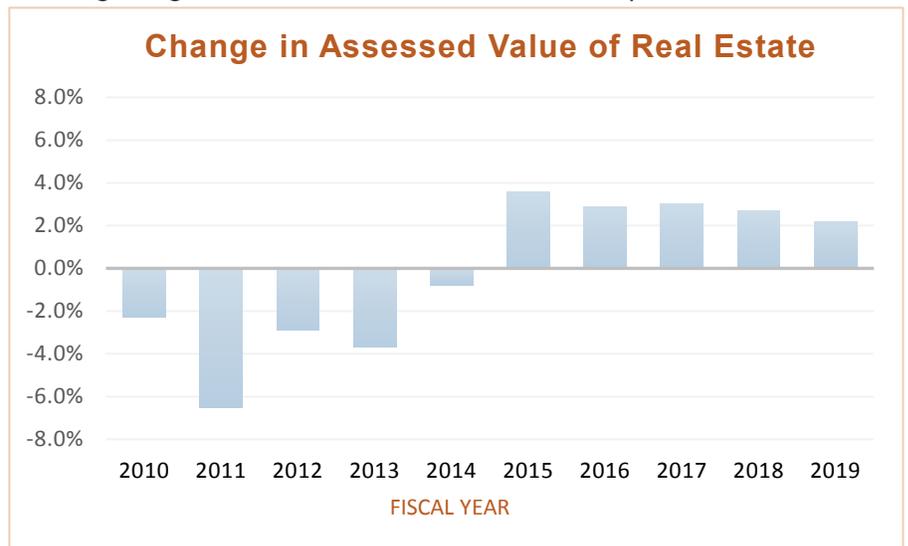
On the next page is an overview of all major revenue streams included in the Operating Budget. The large negative number in the City budget (shown as a positive in the School's budget column) reflects the transfer of local funding to support the School system.

	FY 2017-18 Adjusted Budget	FY 2018-19 City Budget	FY 2018-19 Schools Budget	FY 2018-19 Total City & Schools Budget	Percent Change
Real Estate	566,300,896	554,028,881	29,329,178	583,358,059	3.0%
Personal Property	155,933,379	159,729,356	0	159,729,356	2.4%
General Sales	65,135,023	66,621,323	0	66,621,323	2.3%
Utility Tax	50,618,426	49,337,837	0	49,337,837	-2.5%
Business License	46,786,036	48,669,429	0	48,669,429	4.0%
Restaurant Tax	68,807,636	70,523,740	0	70,523,740	2.5%
Amusement Tax	6,331,312	6,872,387	0	6,872,387	8.5%
Hotel Room Tax	34,897,289	37,309,175	0	37,309,175	6.9%
Cigarette Tax	11,906,906	11,609,814	0	11,609,814	-2.5%
Revenue Sharing Formula		-412,791,237	412,791,237	0	0.0%
General Fund Balance	6,264,165	98,970	0	98,970	-98.4%
Other Fund Balance	13,641,744	2,144,279	12,988,678	15,132,957	10.9%
Utility Fees	161,310,047	165,734,310	0	165,734,310	2.7%
Other Revenue	139,189,392	126,706,586	17,680,616	144,387,202	3.7%
Waste Collection Fee	33,672,000	34,122,980	0	34,122,980	1.3%
State Revenue	492,806,338	127,149,346	368,266,542	495,415,888	0.5%
Federal Revenue	116,077,312	46,959,419	73,197,857	120,157,276	3.5%
Total Operating Budget	1,969,677,901	1,094,826,595	914,254,108	2,009,080,703	2.0%

*5.025 cents of the real estate tax rate is dedicated to education. The City/Schools funding formula can be viewed in the Appendix section of the Operating Budget.

Real Estate

As mentioned earlier, the real estate tax is the single largest local source of revenue for the City. Real estate revenue represents 29% of the City's total revenue and 42% of local revenue collected. Increases in this revenue occur through upticks in the assessment value of homes, new development, and changes in the tax rate. In FY 2018-19, overall real estate revenue is anticipated to grow. This increase is attributable to a combination of adjustments made to baseline real estate revenue estimates due to actual revenue exceeding estimated revenue in FY 2016-17 as well as a total projected City wide assessment growth of 2.8% for FY 2018-19.



Real Estate assessments are a primary reflection of the housing market. The housing market remains positive, and as previously noted, the City is now projecting its fifth year in a row of real estate assessment growth. This has allowed the City to dig out of the housing assessment hole created by the Great Recession at the beginning of the decade. Beyond FY 2018-19, future assessment growth is still anticipated, but is projected to be below the City's historic 3.5% norm for this revenue stream.

Over the years, City Council has dedicated revenue to address specific goals and initiatives. Dedications exist in the form of Tax Increment Financing (TIF) districts, Special Service Districts (SSDs), as well as through direct dedication of portions of the overall real estate tax rate to programs such as the School System, Parks and Recreation for recreation centers, the Agricultural Reserve Program (ARP), the Outdoor Initiative, and CIP sections such as Roadways and Storm Water. Programs that receive these direct dedications receive a proportionate share of the tax revenue increase.

Dedications through TIFs occur slightly differently. TIFs receive the benefit of real estate growth within their geographical boundary. For example, real estate assessments are anticipated to be 2.8% higher in FY 2018-19. Of this, designated TIFs will retain all of their respective gains resulting in less available overall revenue for the General Fund to support citywide demand for services. It is important to note that tax dedications are sometimes modified by City Council, and the funds in which these dedications reside can sometimes change. The table below demonstrates allocations in the real estate tax revenues based on the City’s Adopted Budget:

Changes in Real Estate Revenue FY 2017-18 to FY 2018-19

	FY 2017-18	FY 2018-19	Difference
City Operations and CIP	\$ 260,639,000	\$ 269,442,524	\$ 8,803,524
Schools Operations and CIP	247,833,407	254,677,434	6,844,027
Parks and Recreation	21,389,297	22,044,369	655,072
Sandbridge Special Service District	735,744	739,993	4,249
Agriculture Reserve Program	4,878,451	4,966,225	87,774
Sandbridge TIF District	10,226,817	10,297,813	70,996
Central Business District TIF District	7,107,950	7,333,268	225,318
Town Center Special Service District	2,007,681	2,034,071	26,390
Multi-Modal Fund	0	0	0
Roadways/Line of Duty	10,841,002	11,173,020	332,018
Dredging Special Service Districts	641,547	649,342	7,795
Total	\$ 566,300,896	\$ 583,358,059	\$ 17,057,163

The overall real estate tax rate will not be altered in the FY 2018-19 budget, and will remain at 1.0025 cents per \$100 of assessed property value.

Personal Property Revenue

Personal property taxes are the most difficult for staff to estimate of all revenues collected by the City of Virginia Beach, due to its June 5th due date. At the time revenue estimates are made, on average only 19% of the revenue for the current year has been collected. Working closely with the Office of the Commissioner of Revenue, staff projects a slight increase in the Personal Property assessment base. Additional information about the variables and assumptions behind this estimate are provided in the Revenue section of the Operating Budget.

Most personal property categories will be taxed at \$4.00 per \$100 of assessed value. Of this amount, some revenue is allocated to Schools through the City/School Revenue Sharing Formula and 30 cents is dedicated to support public safety needs. For a greater discussion of where the public safety dedication goes, please review the “Use of Personal Property Tax Dedication for Public Safety” table in the Appropriations section of this Executive Summary.

State and Federal Revenue

State revenue, as estimated in this budget, reflects only a minor increase from a year ago. The vast majority of state revenue received by the City is devoted to education. The FY 2018-2020 Commonwealth of Virginia Biennial Budget proposal included several technical changes to the State's Direct Aid to Public Education, a process known as "rebenchmarking." Despite a significant change in the total statewide amount devoted to education, the "rebenchmarking" process had a negligible impact upon Virginia Beach. According to the Governor's proposed budget, the estimated FY 2019 distribution from the Commonwealth will be only about \$400,000 more than the Governor's estimated FY 2018 distribution. This minor adjustment is in contrast to the change from the Governor's estimated FY 2017 to the Governor's estimated FY 2018, which contained a \$13 million increase.

A second source of revenue from the Commonwealth for the City is State Aid to Localities with Police Departments, which is also known as "599 Funding." 599 Funding is distributed by Virginia to local governments who have authorized a police department that is "responsible for the prevention and detection of crime, the apprehension of criminals, the safeguard of life and property, the preservation of peace and the enforcement of state and local laws, regulations, and ordinances." According to the Governor's proposed budget, additional assistance is being allocated by the Commonwealth to local governments eligible for 599 funding. Accordingly, the City has projected a revenue enhancement of just over \$415,000 from this funding source.

Federal revenue, on the other hand, is estimated to be 3.5% higher in this year's budget. There is no one driver of the uptick in federal revenue; rather this additional revenue is spread out across the City's departments and services.

Storm Water ERU Fee

The Operating Budget suspended a planned 2.5¢ per day increase in the Storm Water Equivalent Residential Unit (ERU) rate, previously approved by City Council as part of a five year program. This increase was part of the multi-year effort to increase the City's storm water resources, with the goal of modernizing storm water infrastructure throughout the City. As a result of this action, the City's FY 2018-19 ERU rate will remain set at 45.8¢ per day rather than increase to 48.3¢ per day. The five year plan is anticipated to resume in FY 2019-2020.

Fund Balance Policy

A consideration of this budget process is the goal of increasing the percentage of Undesignated Fund Balance of the General Fund from the current range of 8% to 12% to a higher percentage to address recovery efforts in the aftermath of a disaster. Given the relatively modest growth of General Fund revenue, the Proposed Budget does not recommend adjusting the fund balance parameters upward. If the economy continues to improve and revenue grows near pre-Great Recession levels, a recommendation to increase the fund balance parameters could be submitted to City Council. Current projections show that the June 30, 2018 Undesignated General Fund – fund balance will be 9.8% of the FY 2018-19 revenue. The estimated General Fund balance is displayed later in this document. Without growing our economy, we would have to increase taxes to subsequently increase our undesignated fund balance.

Annual Tax and Fee Increase Impact

The following graphic summarizes the total impact of the FY 2018-19 budget on taxpaying households in Virginia Beach, and compares this impact to FY 2017-18. Values and totals in bold reflect changes in tax rates or adjustments in values in this proposed budget. The bottom line impact for taxpaying households who own a median house and an average car is an additional \$58 this year, or \$4.83 per month. The yearly change is entirely attributable to increases in the real estate assessment and a reduction in the share of each vehicle assessment that is covered by the state through the Personal Property Tax Relief Act. This amount is subject to change for each individual taxpayer depending on variables such as home value, vehicle value, and the number of cars

owned. Fifty-eight dollars equals an annual increase of 1.4%, which is below the current national increase in the Consumer Price Index of 2.5%.

2018

Tax or Fee	Value	Annual
Real Estate Tax	\$236,900 (City Median) X \$1.0025 per \$100 of value	\$2,375
Personal Property Tax	\$8,200 (City Car Average) X \$4 X 48.9% Citizen Share X 2 Cars	321
Electricity Utility Tax	\$3 per month	36
Gas Utility Tax	\$3 per month	36
Telecomm Tax	5% on \$90 per month phone bill + cable franchise fee	76
Water Utility Tax	\$3 per month	36
Restaurant Tax	Food Away From Home* (\$2846) X 5.5%	157
Admissions Tax	Participatory* (\$69 X 5%) + General Admissions* (\$135 X 10%)	17
Vehicle License Registration	\$30 per car X 2 Cars	60
Storm Water Utility Fee	45.8 cents per day X 365 Days	167
Residential Refuse Fee	\$23 per month	276
Water & Sewer	Average cost of a 6,000 Gallon household	740
	Water: \$30.87 per month; Sewer \$30.81 per month	
Total		\$4,298

*Figures come from 2016 BLS Consumer Expenditure Survey for Virginia Beach's median income level

2019

Tax or Fee	Value	Annual
Real Estate Tax	\$242,300 (City Median) X \$1.0025 per \$100 of value	\$2,429
Personal Property Tax	\$8,200 (City Car Average) X \$4 X 49.7% Citizen Share X 2 Cars	326
Electricity Utility Tax	\$3 per month	36
Gas Utility Tax	\$3 per month	36
Telecomm Tax	5% on \$90 per month phone bill + cable franchise fee	76
Water Utility Tax	\$3 per month	36
Restaurant Tax	Food Away From Home* (\$2846) X 5.5%	157
Admissions Tax	Participatory* (\$69 X 5%) + General Admissions* (\$135 X 10%)	17
Vehicle License Registration	\$30 per car X 2 Cars	60
Storm Water Utility Fee	45.8 cents per day X 365 Days	167
Residential Refuse Fee	\$23 per month	276
Water & Sewer	Average cost of a 6,000 Gallon household	740
	Water: \$30.87 per month; Sewer \$30.81 per month	
Total		\$4,356

*Figures come from 2016 BLS Consumer Expenditure Survey for Virginia Beach's median income level

Rate Comparisons

Virginia Beach's taxes and fees compare very favorably with other Hampton Roads localities. The table below includes major tax rates and fees that are imposed on residents and visitors and indicates that Virginia Beach has among the lowest tax rates in Hampton Roads. This occurs even as Virginia Beach offers services and programs that compare quite favorably with those offered by its neighbors.

Selected Tax Rates: FY 2018-19 Adopted							
	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
<i>In dollar amounts:</i>							
Real Estate (per \$100 /A.V.)	1.0025	1.05	1.25	1.30	1.11	1.24	1.22
Personal Property (Vehicles & Business)	4.00	4.08	4.33	5.00	4.25	4.50	4.50
Personal Property (Machinery & Tools)*	-	0.64	1.70	1.50	0.63	1.23	1.25
Automobile License	30.00	23.00	31.00	32.00	26.00	35.00	26.00
Cigarette (per pack)	0.75	0.50	0.95	0.90	0.75	0.85	0.85
Solid Waste Fee (per month)**	23.00	-	25.01	30.16	19.50	38.89	28.47
<i>In percent:</i>							
Meals	5.5	5.5	6.5	6.5	6.5	7.5	7.5
Admissions	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Hotel	8.0	8.0	8.0	8.0	8.0	8.0	8.0

*For Virginia Beach, the rate is one millionth of one cent, essentially zero. The Code of Virginia requires that localities assess and levy all classifications of personal property. With an adopted rate of one millionth of one cent, the City's Treasurer will not issue a nuisance bill. For the other cities, the effective rate is cited, which is a product of the tax rate multiplied by the assessment percentage. Using Chesapeake as an example, their tax rate is \$3.20, but they only assess 20% of the value, producing an effective tax rate of 0.64 cents (\$3.20 X 20%).

**Hampton represents average monthly cost of recyclers and non-recyclers. Newport News represents an average for Standard and Medium Container.

In addition to comparing tax and fees with the other Hampton Roads localities, the City also regularly compares its expenditures per capita as a percentage of per capita income with other jurisdictions. As the table below illustrates, Virginia Beach has the lowest expenditures as a percentage of per capita income (6.32%) when compared to the cities of Hampton Roads.

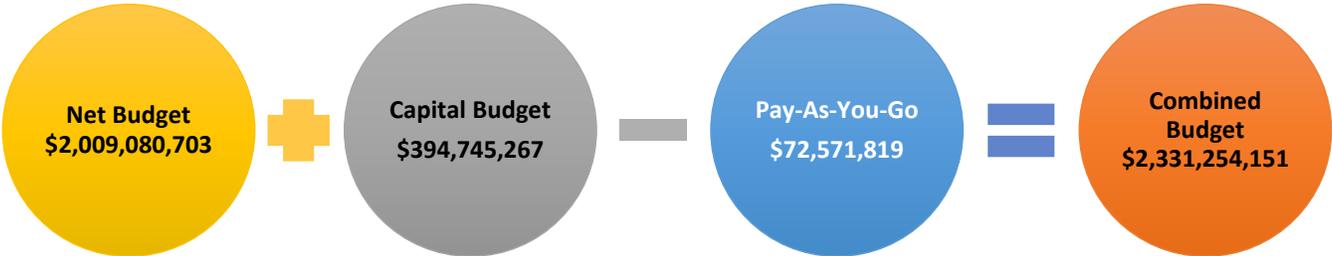
Relative Measures of Tax Burden	
Locality	Per Capita Expenditures as a % of Per Capita Income
Virginia Beach	6.32%
Chesapeake	7.21%
Hampton	9.36%
Newport News	9.39%
Norfolk	8.84%
Portsmouth	9.44%
Suffolk	7.39%

Sources: Auditor of Public Accounts, Bureau of Economic Analysis, and the Weldon Cooper Center.

CAPITAL IMPROVEMENT PROGRAM (CIP) SUMMARY

The Capital Improvement Program (CIP) is the City’s six year plan for the acquisition, construction, maintenance, and improvement of facilities and infrastructure. Continued investment in existing assets as well as the strategic planning of additional assets is key to the success of the City. CIP projects include updates to schools, libraries, recreation centers, roadways, storm water, sewers, technology, and more.

The CIP serves as the City’s framework for establishing priorities, planning future funding, and anticipating the impact of these large scale projects on the Operating Budget. Budgeting for the CIP includes appropriations to date as well as the first year (Capital Budget) of the six year program. Years two through six are included for planning purposes only, and are not formally adopted as appropriations by City Council. Planning over a six year period ensures that projects are appropriately estimated. The FY 2018-19 through FY 2023-24 CIP (including appropriations to date) totals over \$3.2 billion. The combined total appropriations for the FY 2018-19 Operating Budget and Capital Budget are shown below.



The combined budget included in the Resource Management Plan for FY 2018-19 is \$2,331,254,151. Just as internal service funds and interfund transfers must be subtracted from the Operating Budget, pay-as-you-go funding must be reduced from the Capital Budget and Net Budget or the funding would be duplicated. Pay-as-you-go is current revenue that pays for capital projects.

Flood control, water quality, and the maintenance of aging storm water infrastructure are critical issues facing the City. For this reason, storm water projects remain a top priority in the CIP. These projects total over \$48 million in FY 2018-19 and are estimated to cost over \$280 million throughout the six year program. This reflects a major investment in storm water infrastructure. Storm water projects are generally funded through a combination of debt, a dedication from the real estate tax, and the storm water utility fee.

The widespread flooding that occurred after Hurricane Matthew in 2016 made storm water improvements a top priority for City leaders. In order to ensure that the Southern portion of the City has adequate resources to improve storm water management, the Agricultural Reserve Program will begin to annually provide \$990,000 to the Southern Canal/Lead Ditch and Culvert Improvement project. Additionally, the Agricultural Reserve Program will make a one-time contribution to the Asheville Park Drainage Improvement Project in the amount of \$1,500,000.

Virginia Beach Public Schools will receive \$47.5 million in FY 2018-19, and \$276 million over the course of the six year program to modernize and replace buildings. Roadway projects will receive almost \$60 million in the coming fiscal year, and \$302 million throughout the program. While school projects are mainly financed through the use of debt, roadway projects use a combination of debt and funding from the State and Federal government.

Another major category of the CIP is Economic and Tourism development. These projects are aimed at creating economic and as tourism growth in the City to spur private development and increase tourism related revenues. Key projects in the proposed CIP include: a pier designed to accommodate free public access as well as private development including entertainment, restaurants and retail amenities; redevelopment of the former Dome Site into a mixed-use, high density development including space for residences, offices, retail, restaurants, a surf park, and an entertainment venue; streetscape enhancements related to the Dome Site redevelopment project; the Virginia Beach Sports Center, a facility that will provide a suitable, year-round venue for various sports tournaments; and public parking spaces in the Convention Center District and the Central Beach Entertainment District between 14th and 25th Streets and Atlantic Avenue and Birdneck Road.

Funding for these projects comes from the Tourism Investment Program (TIP), which is supported by dedicated hotel, amusement, and a portion of restaurant taxes, as well as other revenue sources. This dedicated funding stream was established in FY 1992-93 to provide funding exclusively for tourism related projects. In FY 2018-19 projects in the Economic and Tourism Development section of the CIP total nearly \$90 million.

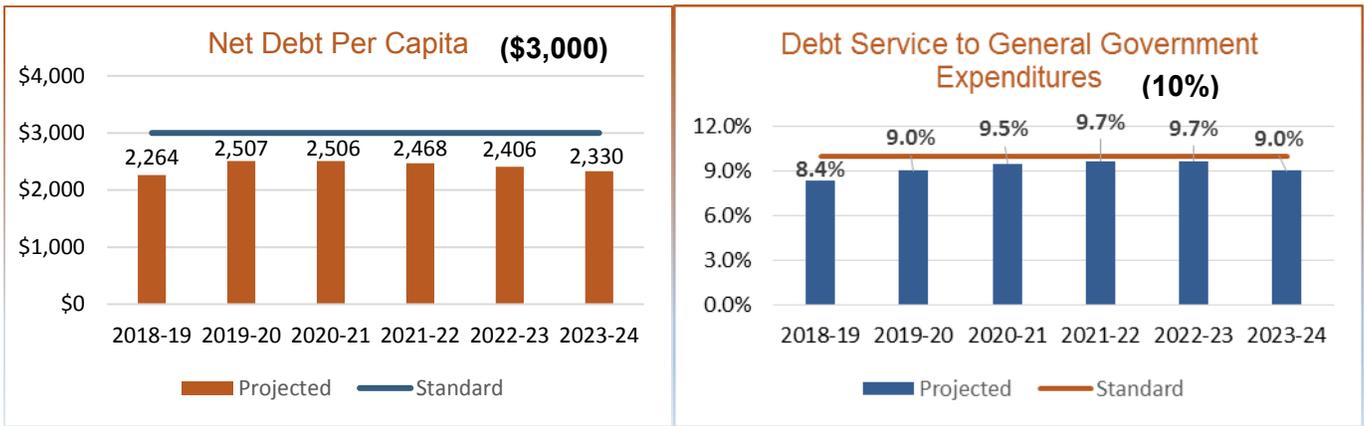
In prior years, a significant portion of the TIP fund’s resources were reserved for the development of the Arena. Removal of the Arena projects from the proposed CIP generates additional capacity within the TIP fund to finance these new projects through a combination of Public Facility Revenue Bonds and cash. Additional increases associated with the Sports Center projects as well as 100% of the Dome Site Music Venue, Dome Site Streetscape improvements and Central Beach and Convention Districts Parking will be financed through the use of Public Facility Revenue Bonds. The Public Pier Project will be funded through the use of TIP Fund cash. Without the creation of the TIP Fund and the foresight of previous City Councils to establish these dedications, the current financing plan for these projects would not likely be possible without impacting general government services.

Capital Improvement Program

Project Type	Appropriations to Date	Remaining Years of the Capital		Programed 6 Year Funding
		FY 2018-19 Capital Program Budget Year 1	Program Budget Years 2 - 6	
Schools	\$ 102,294,000	\$ 47,461,000	\$ 228,935,000	\$ 378,690,000
Roadways	506,738,326	59,742,704	242,457,924	808,938,954
Buildings and Assets	119,472,238	80,625,157	112,347,820	312,445,215
Parks and Recreation	63,891,276	9,538,033	45,909,657	119,338,966
Utilities	245,963,539	32,740,000	197,530,000	476,233,539
Coastal	66,244,970	12,675,000	70,698,933	149,618,903
Economic and Tourism Development	135,858,973	89,664,831	123,923,587	349,447,391
Information Technology	46,204,756	14,145,028	82,749,355	143,099,139
Storm Water	197,415,358	48,153,514	231,967,286	477,536,158
Total CIP	\$1,484,083,436	\$ 394,745,267	\$1,336,519,562	\$ 3,215,348,265

Debt and the Capital Improvement Plan (CIP)

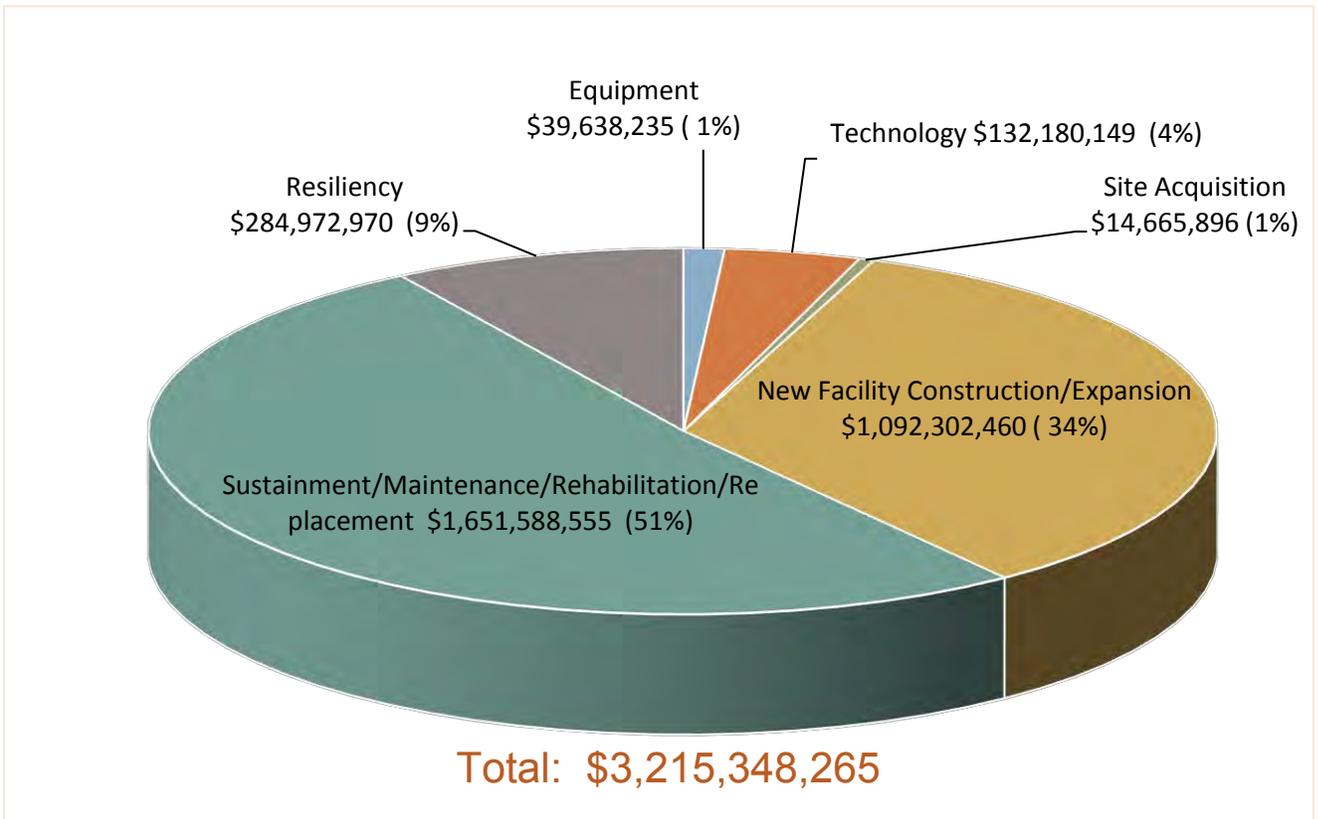
The city uses four indicators to help in its debt management. Using data from the FY 2018-19 through FY 2023-24 CIP, projections of the two most restrictive of these indicators are shown on the following graphs.



*Assumes 96% execution of general government appropriations and a 2% annual rate of growth

To guide the development of the CIP and address long-term debt management issues, the City uses debt indicators as well as the following guidelines: 1) debt will be the last source of funding considered; 2) the City will issue bonds for capital improvements with a cost in excess of \$250,000 or which cannot be financed from current revenues; 3) when the City finances capital projects by issuing bonds it will pay back the debt within a period not to exceed the expected useful life of the projects, generally the City issues debt over a 20-year-term for general obligation debt and a 25-year term for revenue bonds; 4) where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting instruments instead of general obligation bonds; 5) the debt structure of the government will be managed in a manner that results in minimal deviation from the City's debt indicators; and 6) the City will maintain good communications regarding its financial conditions and will regularly evaluate its adherence to its debt policies.

Capital Improvement Plan Funding by Type (FY 2019 – FY 2024)



As mentioned above, the continued investment in existing assets is a critical component to the City's Capital Improvement Program. Much of the infrastructure in the City of Virginia Beach is over half a century old, and is in need of maintenance, rehabilitation, or total replacement. Additionally, as a coastal community, the City must plan for future sea level rise and extreme weather events to protect existing as well as future assets. Investment in storm water projects has increased in this proposed budget to address localized flooding and storm drainage infrastructure. Sixty percent of the total \$3.2 billion CIP is dedicated to sustainment and resiliency efforts.

Backlog of CIP Projects and Possible 2019 Bond Referendum

As a result of the State drastically reducing funding to localities for roadways and schools, the backlog of needed projects continues to grow. In the past, the State directed lottery funds and construction grants to finance infrastructure needs of the school system. Now, each year the General Assembly makes decisions as to which educational programs the lottery revenue will fund and determines each locality's need. School construction is not a part of the lottery program, and thus cannot be used to address the backlog of CIP projects. In 2014, the Commonwealth Transportation Board adopted the Smart Scale Program which requires localities to apply for state funding for roadway projects. The program scores applicant projects and allocates funding to projects that demonstrate the most need. This change in State funding has put more burden on the City to finance projects that previously would have been paid for by the State.

Because overall revenue growth has not kept up with needs, the City has been unable to undertake any major initiatives to address the growing backlog of infrastructure projects. At their yearly retreat in the winter of 2018, City Council discussed the possibility of a referendum to be held in 2019 to address the backlog of roadway projects. Citizens would vote on the possibility of increasing taxes to support the list of unfunded infrastructure projects. School project needs could also be included in the referendum. Currently there are nearly \$2 billion in unfunded roadway projects and \$1.4 billion in unfunded school replacement projects.

CITY COUNCIL'S VISION

“A COMMUNITY FOR A LIFETIME”

The City Council’s vision for the City is to create “A Community for a Lifetime.” This simple but powerful statement encompasses so much and guides the City in all the programs and services that we provide.

In order to make this vision actionable, the City Council meets annually to discuss the goals that will bring the vision to reality. These goals are critical to determining the priorities in the operating budget and CIP (these two documents along with this Executive Summary are called the Resource Management Plan).

For each goal, City staff has identified a series of high level community indicators that provide insight into how the community is performing. While the City only has varying levels of influence on the performance of these indicators, they can help to identify areas where additional resources may be needed.

Included in the next several pages are the community indicators associated with each of these goals, and examples of specific initiatives and projects included in the FY 2018-19 Resource Management Plan that will help achieve these goals.



I. GROW THE LOCAL ECONOMY

A growing economy provides citizens with the jobs and opportunities to support their families. It also helps to expand and diversify the tax base, which provides the necessary revenue for the City to provide services and amenities. Economic strength and diversity are also key components of being a resilient community.

While the City has a role in the growth of the economy, there are a multitude of external factors that also are in play. The table below includes some of the performance metrics the City monitors when assessing the local economy.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Monthly Employment	217,654	206,585	212,145	215,118	215,996	218,681	221,183	220,565	219,060	221,466
Average Monthly Unemployment Rate	3.6%	6.0%	6.5%	6.1%	5.7%	5.4%	4.9%	4.3%	3.9%	3.6%
Average Weekly Wage	\$682	\$697	\$708	\$731	\$759	\$749	\$765	\$783	\$789	\$805*
Median Household Income	\$65,776	\$59,298	\$64,212	\$64,614	\$61,126	\$62,855	\$68,816	\$67,281	\$71,117	N/A
Residents Satisfied with the Job Opportunities in Virginia Beach	N/A	69.8%	N/A	73.7%	N/A	78.3%	N/A	76.9%	N/A	73.4%
Number of Startups per 100,000 Residents	104.6	105	95.9	90.2	106.6	120.9	120.9	130.1	106.5	108*
Patents per 100,000 Residents	7.3	6.2	10.0	6.3	8.0	10.5	8.9	7.9	N/A	N/A
Average Monthly Jobs	173,772	165,928	164,022	162,574	164,585	169,419	171,026	173,655	176,404	178,270*
Median Single Family Home Value	N/A	N/A	N/A	N/A	N/A	\$242,700	\$239,400	\$247,200	\$252,300	\$260,100
Individuals in Poverty	N/A	6.4%	7.5%	8.6%	8.8%	8.8%	8.2%	7.9%	7.9%	N/A

*Figure represents preliminary data from 2017

Please note with the table above and on subsequent pages, data is provided when available. The years noted above are calendar years unless otherwise noted. In some cases, data has not yet been released for calendar year 2017.

As with all of the goals, the City is constantly looking for ways to improve and diversify the local economy. Some of the initiatives in the Resource Management Plan that are intended to grow the local economy are outlined below. These initiatives are aligned with the City Council’s desire to:

- ➔ Create job opportunities with higher pay for residents to work in Virginia Beach.
- ➔ Establish a reasonable property tax rate through a more diverse tax base resulting in more revenues for the City.
- ➔ Create a local economy more insulated from an economic downturn.
- ➔ Develop opportunities to start and grow a business in Virginia Beach.
- ➔ Provide greater convenience in residents’ daily lives – less commute time and more time for family.

Biomedical and Cyber Security Initiatives

Virginia Beach Bio, which is an effort to establish Virginia Beach as a destination for groundbreaking research and development, and as the headquarters of some of the world’s leading innovators in the biosciences, continues to expand. The CIP (9-030) includes funding for the design and construction of a two-lane undivided parkway, including utility and storm water infrastructure, which extends east from Landstown Center Way, a distance of approximately 1,200 feet. The project includes on-road bicycle accommodations and shared-use paths as well as long range planning for the entire Bio Park.

In addition to the CIP project and the \$1 million that has been provided for the past three years, the Operating Budget includes an additional \$1.5 million for biomedical and cyber security initiatives.

A portion of this new funding will be used for a 30,000 square foot master lease of space in the first building of the Bio Park. This space will be built-out with wet lab space and then be sublet to small or start-up bio companies as a part of the City's biomed incubator program. This subsidized lab space is intended to spur development in the park and help incentivize bio med companies to locate and grow in Virginia Beach.

This additional funding will also allow the City to explore a public-private partnership to construct a cyber security engineering, research, and development space. This facility could serve as a training center on cyber security issues for groups from school age to post-graduate students, and also serve as an expansion location for related organizations. The City's investment is to fund equipment and build-out of a facility and could be matched with private investment.

Kempsville Project to Preserve Heritage and Spur Redevelopment

In 2006, City Council adopted the Historic Kempsville Area Master Plan as an amendment to the Comprehensive Plan. The purpose of this Plan is to serve as a general guide for redeveloping the area by building on its historic character and redeveloping properties into an urban pedestrian-scale village.

In order to preserve historic Kempsville, funding was included in the FY 2014-15 CIP to ensure the coordination of enhancements with the transportation improvements and other amenities already being developed in the area. The goal is to establish a pattern of redevelopment that results in creating a special sense of place with a unique character and identity within the city.

In FY 2018-19, an additional \$2 million has been included in this project (9-008) to continue to fund the acquisition of property and infrastructure improvements related to redevelopment consistent with the Historic Kempsville Plan. Specific work includes brick edging along public sidewalks; land acquisition from willing sellers for redevelopment; interactive interpretive signage for the history trail; improved public spaces with street furnishings (benches, bike racks and trash receptacles); and bus shelters with linkages to future transit stations.

II. MAINTAIN A FINANCIALLY SUSTAINABLE CITY PROVIDING EXCELLENT SERVICES

The City of Virginia Beach provides excellent and varied resources to our citizens as evidenced by our excellent school system, public safety response, waterway and beach amenities, well-maintained infrastructure, library system, parks and recreation amenities, and cultural facilities. As each operating budget is prepared, staff ensures that services are sustainable in the long-run.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pounds of Solid Waste Produced per Capita per Day - FY	2.46	2.38	2.45	1.83	1.68	1.63	1.58	2.52	2.55	N/A
Recycling Rate	31.2%	36.5%	39.3%	44.6%	41.2%	39.9%	37.4%	31.7%	34.7%	N/A
Water Consumption per Capita (Gallons per Day) - FY	76.2	75.8	72.5	74.5	68.5	66.9	65.7	64.2	68.0	69.3
Residents Who Agree they Can Conveniently Access City Services	N/A	95.4%	N/A	93.8%	N/A	95.4%	N/A	94.6%	N/A	92.1%
Residents Who "Overall" Are Satisfied with City Services	N/A	91.4%	N/A	91.0%	N/A	93.8%	N/A	94.0%	N/A	90.7%
Resident Satisfaction with the Courtesy of City Employees	N/A	90.4%	N/A	91.3%	N/A	92.1%	N/A	91.0%	N/A	85.8%
City of Virginia Beach Bond Rating (Moody's, Standard & Poor's, Fitch)	AA	AAA								
Operating Expenditures Per Capita	\$3,992	\$4,058	\$4,037	\$3,846	\$3,930	\$3,953	\$3,960	\$4,055	\$4,128	\$4,214
Number of Volunteer Hours (In Millions)	1.1	1.3	N/A	1.4	1.4	N/A	1.4	1.3	1.2	1.2

Below are some of the initiatives included in the Resource Management Plan related to this City Council goal. These initiatives are aligned with the City Council's desire to:

- Provide City services delivered in the most cost-effective manner.
- Provide Reliable City services that contribute to hassle-free daily living.
- Feeling safe and secure within Virginia Beach – any place, any time.
- Provide a timely response to an emergency call for service.
- Provide City services that are readily accessible and are provided in a customer friendly manner.

New Systems Will Give Employees the Necessary Tools to Maintain the City's Strong Financial Position

The City of Virginia Beach has long been recognized for its outstanding financial management. This is evidenced by the City earning and maintaining the highest possible bond rating from the three major rating agencies. For the past 18 years, the City has utilized Oracle E-Business Suite (EBS), which is based on a mature technology that is approaching the end of its usable life. The Enterprise Resource Planning (ERP) system is the core IT backbone supporting the City's Financial and Human Resources functions. It is also the repository and source of data for mandated Federal and State reporting requirements.

In order to maintain and enhance the City's most critical financial functions including budgeting, procurement, accounts payable, and accounting, a modern ERP must be implemented. The FY 2018-19 CIP includes funding programmed through FY 2019-20 for CIP 3-695 "21st Century Enterprise Resource Planning (ERP) System" to purchase a new financial system and to contract with a firm to aid in various implementation tasks.

While this project focuses on the City’s financial management, funding has also been programmed beginning in FY 2019-20 to begin work to implement a new Human Capital Management (HCM) system, CIP 3-716 “21st Century Enterprise Resource Planning (HCM).” This system will bring best business practices for Human Resources functions including core HR administration tasks, recruiting, onboarding, learning, payroll, and benefits. It will also introduce automation to performance management and incorporate self-service, mobility features, and workflow functionality not currently possible. Together, these best practices and features will improve the HR support needed by the City.

New Scheduling and Timekeeping System to Improve Efficiencies

A number of City departments like Libraries, Parks and Recreation, Police, Public Works, Public Utilities, and Fire have multiple service points and need to ensure that the right person is working, at the right location, at the right time. In addition to multiple locations, some departments also operate 24 hours a day, seven days a week. The ability to maintain complex coordination, multiple changes each day, and ensure that coverage is maintained with the correct employee becomes more difficult each year. The ability to have flexible scheduling and timekeeping tools in place reduces errors and increases the ability to ensure that all shifts are filled with the least amount of additional effort no matter the time of day.

The CIP includes funding (3-663) to select and purchase a time-keeping and scheduling system to better track full-time, part-time and contracted employees. This project (3-663) will fund the purchase of a City-wide system that will track employees' schedules and leave balances. The system will be able to make real time changes, generate comprehensive reports, and eliminate dual entry of data by allowing integration with the enterprise payroll and financial system to supply hours worked and leave time entries.

In addition to these two capital projects, the Operating Budget also includes two new positions, one in Human Resources and one in Finance. Both of these positions will assist with the design, implementation, roll-out, and ongoing support of the new ERP modules and the scheduling and timekeeping system.

Information Technology Adds FTEs While Saving the City Money

Due to the competitive and advanced nature of the information technology field, some positions can be difficult to recruit and retain. The Information Technology Department (IT) has historically used consultants to bridge service gaps when the department didn’t have sufficient staff resources to support its various programs. Many of these full-time consultants (FTCs) have been working on IT projects for the City for a number of years, essentially functioning as FTEs with higher overhead costs. While the budget authorizes eight new FTEs in IT, the department’s budget is reduced by approximately \$220,000, reflecting the lower cost of hiring an FTE.

III. IMPROVE THE TRANSPORTATION SYSTEM

Improving the transportation systems requires improving connectivity, providing alternative modes of transportation, and maintaining the infrastructure that allows citizens to travel to destinations as efficiently as possible.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Citizen Satisfaction with the Flow of Traffic	N/A	39.6%	N/A	40.2%	N/A	51.6%	N/A	50.4%	N/A	40.3%
Percent of Lane Miles in the Two Lowest Grades for Transportation Efficiency – City Roads	21.6%	21.6%	20.3%	20.2%	19.9%	20.0%	19.0%	19.6%	19.0%	N/A
Street System Meeting the Minimum Physical Condition Rating – City Roads	73%	74.5%	76%	79%	82%	82%	81%	81%	80%	N/A
Bikability Score	N/A	N/A	N/A	N/A	N/A	N/A	46	N/A	46	N/A
Percent of Residents Who Commute Using Alternative Forms of Transportation	18.2%	16.6%	17.5%	17.4%	18.2%	18.7%	17.1%	16.3%	19.5%	N/A
Walkability Score	N/A	N/A	N/A	N/A	N/A	N/A	31	N/A	33	N/A
Commute Time (in Minutes)	22.5	22.9	23.4	22.4	22.6	23.6	23.8	24.1	23.4	N/A
Resident Satisfaction with the Planning and Construction of New City Roads	N/A	48.4%	N/A	59.1%	N/A	70.2%	N/A	71.7%	N/A	55.1%

Below are some of the initiatives included in the Resource Management Plan related to this City Council goal. These initiatives are aligned with the City Council’s desire to:

- ➔ Create greater ease of movement within Virginia Beach and Region.
- ➔ Establish more predictable and acceptable travel times from “Point A” to “Point B” within Virginia Beach.
- ➔ Expand choices of transportation mode: car, trail system or public transportation.
- ➔ Ensure Safer streets for automobile, pedestrians and bike travel.
- ➔ Provide quality public transportation linking Town Center, Convention Center and Oceanfront.

The FY 2018-19 CIP includes funding for the construction of several large roadway projects that will ease congestion and improve travel throughout the roadway system and improve the predictability of estimated travel times from “Point A” to “Point B”.

Laskin Road Phase I-A

The project includes construction of an eight lane divided highway (three through lanes and a continuous right turn lane in each direction) from Republic Road to Freemac Drive. This phase also includes full improvements to the Laskin Road/First Colonial Road intersection as well as construction of a six lane divided highway on First Colonial Road from Laurel Lane to I-264. The feeder roads along Laskin Road within the project limits will be removed as part of this project. This project also includes construction of 14-foot wide outside lanes for cyclists and a 10-foot wide shared-use path on one side of the roadway with a 5-foot wide sidewalk on the other side of Laskin Road. Aesthetic improvements such as a landscaped median and verge areas will be provided to enhance the roadway corridor. This project will be designed and constructed to account for one and a half feet of sea level rise and the 100-year flood elevation.

Rosemont Road Phase V

This project is for the construction of a four-lane divided roadway from Primrose Lane/Harbringer Road to Dam Neck Road, a distance of approximately 1.3 miles. The four-lane divided roadway will include a continuous 10-foot

wide sidewalk along the east side of the corridor, as well as a 10-foot wide sidewalk along the west side from Faculty Boulevard to Lynnhaven Parkway. This project also includes the upgrade of three existing traffic signals at Buckner Boulevard, Faculty Boulevard/Celtic Drive, and Concert Drive.

Shore Drive Corridor Improvements Phase III

This project begins at Vista Circle, near the eastern end of the Lesner Bridge, and extends eastward through the Great Neck Road intersection and terminates at Beech Street. This project will improve vehicular and pedestrian traffic flow and safety in the roadway and intersections and improve storm drainage. The project funds construction of eight-foot sidewalks, on-street bike lanes and enhances the corridor with aesthetic elements such as landscaping and lighting. The existing aerial utilities will be relocated to a combination of underground locations at intersections and to new overhead locations along the rest of the project corridor.

Elbow Road Extended Phase II-B

This project will provide two lanes (of what will ultimately be four-lanes) on Elbow Road from Meadow Crest Way/Margaret Drive to the Chesapeake City Line at Stumpy Lake, a distance of approximately 1.2 miles. The two lanes constructed during this phase will serve as the future eastbound lanes in the planned four-lane divided roadway configuration. The typical roadway section includes an eight-foot wide sidewalk, two dedicated on-road bike lanes, LED street lights, landscaping and noise barriers (where warranted). Also included is the replacement and realignment of two lanes of the existing Elbow Road Bridge.

Mass Transit

The City continues to work in partnership with Hampton Roads Transit (HRT) to provide extensive transit options for city residents and visitors. These include 11 year-round bus routes, three seasonal trolley routes, shuttles to select special events, and paratransit services. In FY 2018-19, the City will provide HRT with \$7.4 million to help fund the cost of 186,201 hours of mass transit operations. In order to maximize this contribution, the City and HRT are in constant contact regarding additional opportunities for route adjustments or expansions, and annually refine the total plan of service offered within the city and between Virginia Beach and its neighboring communities.

Bridge Rehabilitation Projects to Get Underway

In FY 2018-19, construction will begin on several bridge rehabilitation projects that have received lower physical condition score ratings by the State. The Sandbridge Road Bridge, which currently has a sufficiency rating of 35.2 and is rated "FAIR" due to the deterioration of the deck and beams, was constructed in 1961. This project (2-416) is for the replacement of the existing bridge on Sandbridge Road over Hell's Point Creek, two miles west of Sandpiper Road.

Also planned for construction during FY 2018-19 is the replacement of the Laskin Road Bridge. The bridge, originally built in 1938 and later widened in 1956, needs to be replaced due to the continuing deterioration of the structure. The bridge is currently posted for legal loads due to load carrying deficiencies. If the structural load capacity declines to a point where the bridge has to be posted below Virginia's legal loads, large trucks, including emergency vehicles, will not be able to cross the bridge.

IV. REVITALIZE NEIGHBORHOODS & PLAN FOR THE FUTURE

Neighborhoods are where we live, work and play. They need to be safe with proper neighborhood amenities.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residents Reporting That Their Neighborhood is a Safe Place to Live	N/A	93.6%	N/A	92.0%	N/A	90.7%	N/A	90.2%	N/A	86.4%
Urban Tree Canopy	36%	N/A	36%	N/A	38%	N/A	38%	N/A	N/A	N/A
Resident Satisfaction with the Appearance of Their Neighborhood	N/A	93.4%	N/A	88.0%	N/A	91.3%	N/A	90.4%	N/A	89.9%
Resident Satisfaction with the Overall City Appearance	N/A	94.0%	N/A	94.0%	N/A	92.3%	N/A	91.7%	N/A	96.3%
Resident Satisfaction with City Efforts to Protect Natural Resources, the Environment, and Open Space	N/A	70.9%	N/A	80.2%	N/A	81.3%	N/A	79.1%	N/A	69.9%
Resident Satisfaction with the City's Planning for Residential Development	N/A	61.7%	N/A	64.7%	N/A	72.2%	N/A	71.9%	N/A	57.7%
Percent of Residents Living in a "Food Desert"	N/A	N/A	9.0%	N/A	N/A	N/A	N/A	6.8%	N/A	N/A
Overall Real Estate Assessment Average Change	18.54%	2.56%	-3.46%	-5.54%	-3.09%	-5.29%	-2.22%	1.93%	1.94%	2.79%

Below are some of the initiatives related to this City Council initiative in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

- ➔ Ensure protection of residents' property values.
- ➔ Ensure safe homes and buildings in the city.
- ➔ Create a more attractive and inviting city.
- ➔ Ensure upgraded older, aging homes and buildings.
- ➔ Ensure convenient access to commercial and retail areas.

Environmental Monitoring and Protection Main Focus of New Office

The Public Works Department is adding a new Environmental Management Office in FY 2018-19. The office will include two positions that will support several compliance areas that are separate but related to the City's storm water permit compliance activities. These activities include contract management for the City's hazardous waste generators to include routine disposal and both emergency and non-emergency spill cleanup activities. The budget includes funding for the costs for a contractor to perform these activities on an annual recurring basis. The new Office will also oversee air quality compliance and contaminated lands review.

Housing Adds Position for Inspections

The Department of Housing and Neighborhood Preservation is redirecting federal funding and funding previously utilized for a contracted position to add a Construction Specialist position. This position will be responsible for inspecting properties that are in the owner-occupied rehabilitation program and other housing development and rehabilitation projects receiving City funding.

Planning Department Gets New Staff for Enhanced Customer Service

The Planning and Community Development Department is adding two positions to assist homeowners, contractors, and developers during the permitting process. The department is adding a Planning Technician to staff its new front desk. This position will be responsible for assisting walk-in traffic as well as inquiries over the phone.

The budget also includes a new Plan Examiner to staff its counter review desk in the Permits and Inspections Office. This Examiner will assist walk-ins to the Department with plan review. In addition, the Examiner will be qualified to grant permit approval for small projects such as sheds, garages, decks, and basic commercial alteration projects.

V. BE A COMPETITIVE, SUSTAINABLE, YEAR-ROUND DESTINATION FOR RESIDENTS, BUSINESSES, & TOURISTS

The resort area is a major driver of city revenues and quality of life for both residents and tourists. People from all over the world visit Virginia Beach and enjoy our sandy beaches, salty air, and world class amenities. The forward looking CIP continues to make this City Council goal an on-going reality.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Days with Beach Advisory	3	3	13	3	10	4	19	1	1	5
Citizen Satisfaction with the City's Museums, Aquarium, and Cultural Arts Activities	N/A	93%	N/A	94.4%	N/A	95.6%	N/A	96.5%	N/A	96.3%
Overnight Visitation (In Millions)	5.8	5.3	5.5	5.7	5.9	5.9	6.0	6.4	7.1	N/A
Percent of Visitors to Virginia Beach Traveling From Outside the US	8.6%	11.7%	7.9%	6.8%	4.8%	4.7%	5.9%	5.3%	15.8%	N/A
Repeat Tourism	78.7%	77%	75.2%	72.5%	74.7%	73.7%	76.8%	75.6%	75.8%	N/A
Summer Visitor Satisfaction Rating	91.1%	92%	91.8%	93.3%	94.1%	92.7%	93.7%	92.5%	92.9%	N/A
Visitor Spending (In Billions)	\$1.15	\$1.06	\$1.13	\$1.22	\$1.28	\$1.31	\$1.37	\$1.40	\$1.49	N/A
Residents Who are Satisfied with the Public Beaches in the City	N/A	88.6%	N/A	88.2%	N/A	89.1%	N/A	88.3%	N/A	87.5%
Summer Visitor Satisfaction with Number of things to See and Do	N/A	N/A	N/A	N/A	96.1%	94.5%	96.3%	96.3%	95.7%	N/A
Hotel Occupancy	N/A	62.7%	N/A							

Below are some of the outcomes related to this City Council goal in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

- Job opportunities for residents and youth.
- Tourist amenities for use by residents that add value to the quality of life.
- New tourist dollars to the local economy.
- More choices for leisure time.
- Quality leisure activities for families.

Several Projects to Transform Virginia Beach to a Year Round Destination

In December 2008, City Council adopted the Resort Area Strategic Action Plan (RASAP). One of the key goals of the RASAP was to transform Virginia Beach from a seasonal vacation spot to a year-round, world-class urban resort destination. In order to accomplish this, the FY 2018-19 CIP includes several projects that, coupled with private investment, will transform the City into a year round destination.

The first project provides funding for the design and construction of a new concrete public pier. The current, privately owned, wooden pier on 14th street was constructed in 1950 and is in need of replacement. The new pier will be at least 880 feet in length and designed to accommodate free public access and fishing from the pier for a fee. The City plans to lease a portion of the pier for private development including entertainment, restaurants and retail amenities.

Another major component of the transformation of the Central Beach district is the redevelopment of the former Dome Site. The CIP includes a new project for the construction of an entertainment venue with an estimated capacity of 3,500 people for events including: live musical performances, comedic acts, sporting events, spoken word events and speaking engagements. The venue will be a mixed-use, high density development including space for residences, offices, retail, restaurants, a surf park, an entertainment venue, and parking. The site will be constructed on approximately 10.35 acres of City-owned property. In addition to the construction of an entertainment venue, funding is also including for streetscape enhancements related to this redevelopment project.

Another major project that will greatly benefit local residents as well as draw new and repeat visitors to the city is the new Virginia Beach Sports Center. The genesis of this project was a sports marketing study completed by Victus Advisors in the fall of 2016. The study found great potential for a venue that could accommodate a number of participatory sports. Basketball was identified as the least developed sport in terms of tournament facilities in Virginia Beach as there is no centralized facility with more than four courts in the City. Despite the lack of a suitable, year-around venue for tournaments and leagues, volleyball is a very popular and successful sport in the community. A flexible indoor facility could also accommodate numerous other sports that currently lack appropriate space for practice and games. The study found that an indoor facility like this will attract more events during the winter months to increase hotel occupancy.

In order to fill this gap, the CIP funds the construction of a minimum of 150,000 net square feet of column-free program space to include 12 regulation (high school) basketball courts convertible to 24 volleyball courts, a flexible court layout and use of multi-purpose flooring options to accommodate a variety of sport applications including gymnastics, wrestling, cheer, dance, and others. The project will include an articulated track for hosting indoor track and field events. The facility will have a combination of seating systems, an elevated mezzanine level, food service facilities, official's locker rooms, storage space, public restroom facilities, administrative offices and sufficient "camping" space for family, spectator and participants to accommodate up to 5,000 people.

While these projects will certainly bring increased visitation to the oceanfront, a need exists for additional parking to accommodate these visitors. The CIP also includes funding (9-045) for public parking spaces in the Convention Center District and the Central Beach Entertainment District between 14th and 25th Streets and Atlantic Avenue and Birdneck Road. The funding is for the purchase of parking spaces for public use in private garages; the acquisition of key parcels for the use of public parking; and the design and construction of new public parking. This project is essential to ensure efficient circulation and ease of access within the Central Beach Entertainment District.

Positions Added for New and Renovated Aquarium Facilities

Over the next several years, the Aquarium will be undergoing a make-over as renovations to the Aquarium Marsh Pavilion begin. This project (3-028) includes the creation of exhibit play areas for children, renovation of the existing exhibit areas, modifications to the trail to include the outdoor theater, a more welcoming entrance,

landscape enhancements, visitor amenities such as a small café, and refurbishment of the Pavilion's gift store, support areas and theater.

In order to begin preparations for the new jellyfish exhibit in the renovated facility, an Exhibit Technician position is included. This position is budgeted to start in January 2019 to begin the construction of a new jellyfish-culturing lab and begin the process of propagating jellies for the exhibit.

In addition to these renovations, the CIP also includes funding for a new a Veterinarian Clinic (3-074) at the Aquarium. This facility will be located beside the existing Marsh Pavilion and will provide opportunities to observe the Aquarium's medical and husbandry staff in action as they care for animals in the exhibit collection and conservation programs. The Clinic also will include an area where children can role-play as Aquarium scientists helping sick and injured sea turtles and other marine animals. This project also includes funding for additional parking and upgrades to the existing Marsh Pavilion Parking lot for the newly renovated building.

An additional Exhibit Technician position is also included in the budget to support the operations and maintenance of the Virginia Aquarium Marine Animal Care Center (Darden Center). This project (3-292) will relocate the Virginia Aquarium Marine Animal Care Center located on Southern Boulevard to a three acre site to be purchased from the Navy on Bells Road adjacent to the City's Dredge Operations facility. The new site provides a secure location with access to seawater and will include two buildings totaling about 18,000 square feet, parking and staging areas, and a sea water collection system. Construction is scheduled to be completed on the Darden Center by the end of 2019 with the transfer of operations completed by June 2020. The position will also begin in January 2019 and will support the operations and maintenance of the new Darden Center by joining existing facilities support staff in managing collections, quarantine and facility operations.

VI. BE THE SAFEST CITY IN THE NATION

Virginia Beach has long been recognized as one of the safest cities of its size in the country and one of the City Council’s top priorities is keeping it that way. At their February 2018 retreat, Council renamed this goal to “Be the Safest City in the Nation.” To make Virginia Beach the safest City in the Nation, people, be they residents, guests, or just passing through, must feel safe anywhere at any time.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Age Adjusted Mortality Rate	707.8	709.4	690.7	686.9	689.3	691.3	692.8	674.7	N/A	N/A
Founded Cases of Child Abuse per 1,000 Children	4.5	5.0	5.1	4.1	3.3	3.3	2.4	2.3	2.2	N/A
Property Crime Rate	29.2	30.9	30.4	27.9	26.5	25.3	21.9	22.3	22	N/A
Violent Crime Rate	2.4	2.1	1.9	1.8	1.7	1.5	1.4	1.3	1.4	N/A
Substantiated Reports of Abuse, Neglect, or Exploitation of Elders and Incapacitated Adults	1.9	2.2	2.2	2.1	2.3	2.0	1.7	1.5	1.9	N/A
Infant Mortality Rate	5.8%	5.5%	7.0%	6.9%	6.1%	5.7%	4.4%	5.6%	N/A	N/A
Low Birth Weight Babies	8.0%	6.9%	7.9%	8.2%	8.5%	7.2%	7.6%	8.1%	N/A	N/A
Primary Care Physicians per 100,000 Residents	N/A	N/A	N/A	87.7	87.7	77.0	77.3	77	76	75
Cardiac Arrest Survival Rate	N/A	N/A	N/A	45%	36%	33%	41%	41%	38%	57%
Fire Death Per 100,000	0.5	0.2	0.2	0.7	0.9	1.1	1.3	0.9	0.9	0.9

The Property Crime Rate and the Violent Crime Rate shown are calculated using data compiled by the Virginia State Police and published in *Crime in Virginia*. The State Police reports in an Incident Based Reporting format, while the Virginia Beach Police Department uses the Uniform Crime Reporting format. While UCR reports the most serious crime occurring during an incident, IBR counts all crimes occurring during the event. For example, if a Murder and Rape occurred on the same victim during the same “event”, both would count towards IBR, while UCR only the murder would be counted.

Below are a number of major public safety initiatives included in the Resource Management Plan. These initiatives are aligned with the City Council’s desire to:

- Residents feel safe throughout city.
- Decreased opioid addiction.
- Increased access to quality health care.
- Increased property values
- Increased business relocations and openings.
- Engaged citizens.

Body Camera Program Protects Officers and Citizens

The Police Department and the Commonwealth Attorney’s Office will receive additional funding to help facilitate the implementation of the next phase of the body worn and in-car camera programs. The funding in the Police Department will pay for the software licensing costs of new camera equipment that will be added during the year. The Commonwealth Attorney’s office is adding three new FTEs including two Assistant Commonwealth’s Attorney positions and one Paralegal position. These positions will support the increased workload created by viewing video footage evidence associated with body worn cameras.

Police Department Adds Additional Officers

Funding has been included in the Police Department's budget for the addition of five new police officers. This is the third year in a row that officers have been added to the City's police force. In addition to these five new officers, an additional two officer positions are being added to support the Department's new Work Force Development program and a civilian position is also being added in the Property and Evidence Unit.

Fort Story Fire Department to Improve Response Times

Based on a 2001 study that identified sections of the city located more than four minutes travel time from a fire station, the Fire Department has requested to construct a station in the North End of the City to improve response times to that area. Due to the lack of available land suitable for a fire station in the area, the Fire Department has entered into an agreement to co-locate a fire station with the Navy at the Joint Expeditionary Base Little Creek Fort Story. During FY 2017-18, City Council approved this initiative and added 15 firefighter positions to staff the station. The FY 2018-19 budget includes the first full year of costs associated with this facility.

Fire Department Receives Additional Funding for Apparatus Replacement and Personnel

The budget also includes a new strength and conditioning specialist for the City's public safety departments. While this position is included in the Fire Department's budget, it will be a resource shared among the Fire Department, Police Department, and EMS. The position will seek to minimize preventable injuries by promoting proper form and working with the most at-risk personnel to create personalized training plans. The specialist will be responsible for leading the peer fitness program and training a representative from each station and precinct to act as a liaison and teach personnel assigned at their work location the proper form and exercises to avoid injury.

Increased funding is also included in the CIP for the replacement of fire apparatuses (3-135). The cost of these apparatuses continues to escalate and the programmed amount of funding has not allowed for the timely replacement of these critical public safety assets. Each unit has a useful life of ten years and several of the units that will be replaced have been repaired multiple times to extend their useful life well beyond this threshold.

Emergency Services Program Expanded

The Department of Human Services budget includes funding for two new full-time Clinician positions and the conversion of one contracted manpower Clinician to a full-time City position to provide pre-screening services for psychiatric hospitalization and crisis stabilization in order to meet state mandated response times. This program provides immediate telephone and in-person crisis assessment, intervention, and consultation 24-hours a day, seven days a week. The Department is also converting a contracted manpower position to a full-time City position to provide enhanced services to the Crisis Intervention Team (CIT) and liaison with the Police Department.

EMS Adds Positions for Safety and Scheduling and New Paramedicine Program

Virginia Beach EMS responds to more than 45,000 emergency calls annually. These incidents range from basic injuries to complex vehicle crashes. In each case, at least one apparatus engages in the high risk actions of driving to and from the scene.

EMS providers nationwide face considerable personal risk. Their occupational fatality rate is twice the national average for U.S. workers and comparable to that of police and firefighters. Nearly 25% of firefighter fatalities that occurred in 2016 involved activities representative of the duties that EMS responders perform. Over the last five years, EMS members have filed 47 injury claims annually resulting in an average of \$286,000 in Worker's Compensation payments. Approximately 12 reportable vehicle claims were also submitted each year, which does not include numerous minor vehicle incidents that did not result in a City liability claim. There is also a growing awareness of the risk of post-traumatic stress disorder (PTSD) and related mental health concerns facing all EMS responders.

In addition to concerns related to employee health and safety, EMS is also challenged to effectively manage the scheduling process for responders. Monthly, there are an average of 450 volunteer EMTs from 10 rescue squads, each needing to be assigned anywhere from one to four shifts. Currently, each squad schedules independently with an ad hoc effort made by existing operational officers to evenly distribute ambulance deployments. There is no single person responsible for making adjustments when someone is sick or needs to otherwise adjust their assigned shifts.

A lack of scheduling flexibility is also cited as a major factor in volunteer morale and retention. The fractured scheduling approach currently utilized does not support what it will take to match up members reporting to duty at non-traditional times while still maintaining 24 hour staffing coverage.

Given these factors, the budget includes funding for a new Brigade Officer that will be responsible for 1) providing basic safety and wellness training to all members; 2) investigating accidents and injuries 3) analyzing crash trends and recommend corrective actions at both an individual and departmental level; 4) developing more robust mental health services for EMS members; 5) acting as an Infection Control Officer, implementing best practices in prevention and personal protection; 6) responding to major incidents as a Safety Officer 7) providing daily oversight of the duty roster in order to maintain effective ambulance staffing; and 8) working with individual members to provide greater flexibility for their deployment.

In addition to the Brigade Officer, a new position is included in the budget for the establishment of a City Paramedicine program. The purpose of this program is to provide proactive medical services to individuals who frequently call upon the City's emergency medical resources for routine medical assistance.

Sheriff's Department Gets Final Three Deputies for Medical Contract

Since FY 2016-17, the Sheriff's Department has added eight additional positions for the medical program within the jail. These positions alleviate staffing shortages when medical staff must be escorted in the jail, and when inmates are transported to medical appointments or are hospitalized. Deputies must oversee the contracted medical staff dispensing medications and all inmates that are transported to medical appointments and those who are hospitalized must be in the custody of sworn personnel. All hospital watches require one-to-one custody.

This budget adds one lieutenant to assist the Sheriff with quality control of contractor services, one corporal for inmate security and escort to/from Medical, Mental Health and Dental Services Areas, and one deputy also for security and escorting inmates. These positions ensure the safety of inmates, sworn personnel, and jail visitors as it allows the jail to maintain minimum staffing requirements at all times.

VII. BE AN INCLUSIVE COMMUNITY THAT IS WELCOMING AND EMPOWERS ALL

Virginia Beach strives to be a city in which all its residents feel welcome and empowered to engage in their community. To this end, the City is working to bolster the range of services offered to residents to ensure that all their various needs are met while engaging with the public to build awareness and ensure the equitable access to all City services and programs.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Homeless Population	N/A	N/A	517	428	440	456	440	419	389	349
Poverty Rate - Children	9.5%	9.6%	10.5%	12.4%	15.5%	13.0%	11.5%	11.9%	10.8%	N/A
Poverty Rate - Elderly	4.4%	4.9%	5.0%	5.1%	4.9%	7.2%	6.6%	3.5%	5.1%	N/A
Poverty Rate -Individuals	6.5%	6.4%	7.5%	8.6%	8.8%	8.8%	8.2%	7.9%	7.9%	N/A
Residents who are Satisfied with City Services for Needy or Homeless Families	N/A	74.3%	N/A	71.9%	N/A	74.5%	N/A	72.5%	N/A	54.8%
Residents Who are Satisfied with City mental health and intellectual disability Services	N/A	82.2%	N/A	82.8%	N/A	79.1%	N/A	81.0%	N/A	68.3%
Renters Paying in Excess of 30% of Median Household Income for Housing Expenses	48.3%	49.5%	53.5%	54.9%	55.2%	53.1%	52.5%	54.5%	49.7%	N/A
Homeowners Paying in Excess of 30% of Median Household Income for Housing Expenses	35.3%	40.0%	37.8%	35.3%	33.6%	31.4%	28.9%	29.3%	33.2%	N/A

Below are some of the key initiatives included in the Resource Management Plan related to this goal. These initiatives are aligned with the City Council’s desire to:

- ➔ Establish exciting neighborhoods and events.
- ➔ Create a comfortable and welcoming communities and neighborhoods.
- ➔ Ensure easy access to government participation and services.

Housing Resource Center Opens

In October of 2017, the City Council adopted the Community of One Plan, a strategic plan to make homelessness rare, brief, and non-recurring. The plan laid out key trends and issues with actions to address them. One of the top-priority actions is to complete and open the Housing Resource Center (HRC), which is the centerpiece of the community’s efforts.

The HRC is scheduled to open in the summer of 2018. The 62,000 square foot facility will replace and expand existing homeless services that were previously offered at the Lighthouse Center. While the majority of new positions for this facility were included for a portion of the year in the FY 2017-18 budget, the annual costs of those positions as well as six additional positions in Human Services are included in this budget.

The HRC contains a dorm-style single-occupancy shelter containing 49 beds (20 males, 18 females, four LGBTQ, seven mobility ADA accessible); 10 short-term motel-style family units accommodating 40 beds; a Health Clinic; dining facilities, training rooms, classrooms, and offices for the Homeless Services division of the Department of Housing and Neighborhood Preservation; and, flexible office space to accommodate non-profits, the faith community, and volunteers in order for them to provide services for the homeless of the City.

In addition to staff from the Department and Housing and Neighborhood Preservation, the Department of Human Services is adding six new positions at the HRC. Human Services will have a multi-disciplinary team of employees to provide a one-stop shop for integrated services, where an individual can access assistance with housing placement, social safety net benefits, and behavioral health services all in one building, all on one day.

Cultural Affairs Strives for Diversity in the Arts

Funding has been included in the budget to add a new position in Cultural Arts. This position will oversee the Arts and Humanities Commission's grants portfolio, manage a new Community Arts Program, work with underrepresented communities to ensure more diverse arts submissions, serve as the City's liaison to the African American Cultural Center, and developing diverse arts programming including exhibitions, performances, public art, and education programs.

Dental Program Serves Low-Income Youth

The budget includes funding for a full-time State Senior Program Support Technician. In order to improve the dental program, it is in need of a consistent, sustained administrator. This City-funded State position will allow the dental program to increase revenue, decrease insurance denials, and increase clinical productivity and efficiency. The position is aligned with the Health Department's organizational needs that primarily include the increase of patient load, the verification of client eligibility, and better clinical coding and billing procedures/results. This position will increase accountability for revenue recovery, engage in outreach to the citizenry, and provide supervision of and back-up for the dental assistant.

Summer Youth Employment Program Expands

The Summer Youth Employment Program provides jobs and workplace readiness skills to residents of the City of Virginia Beach ages 16 to 21 for eight weeks during the summer months. Prospective participants must apply to the program, be interviewed, and matched with partner employers. Through collaborations with local businesses, not-for-profits, and city agencies, participants are provided with opportunities to develop skills, set career goals, earn money, become financially empowered and learn more about the community in which they live. Participants are also provided training in workplace readiness as well as financial literacy.

Additional funding has been provided to increase the number of employed youth within City departments from 70 to 88, with an eventual goal of expanding the program to over 200 participants by FY 2022-23.

VIII. HAVE WORLD CLASS SCHOOLS AND EDUCATIONAL PROGRAMS

The City is renewing its commitment to provide the highest quality education to children while creating numerous opportunities for lifelong learning and growth for residents of all ages. To achieve this goal, the City is collaborating with the school division to ensure students are prepared for success while also working throughout the community to provide a broad range of cultural activities for all residents.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High School Dropout Rate	5.5%	6.1%	6.8%	6.2%	5.6%	4.7%	4.8%	5.3%	4.7%	4.5%
On-time High School Graduation Rate	84.2%	85.3%	85.5%	86.8%	86.9%	88.0%	88.5%	89.8%	91.3%	91.9%
Percent of Children Reading at Grade Level by 3 rd Grade	N/A	N/A	N/A	N/A	73%	74%	73%	75%	76.8%	76.2%
Percent of Children Whose PALS-K Scores Meet or Exceed Kindergarten Readiness Levels	86.8%	88.5%	89.2%	90.0%	90.7%	90.7%	90.9%	90.3%	88.7%	89.0%
Percent of High School Graduates with an Advanced Diploma	N/A	N/A	54.0%	56.0%	56.0%	57.0%	56.0%	58.0%	57.3%	56.6%
Resident Satisfaction with the City's Public School System	N/A	88.0%	N/A	85.7%	N/A	88.0%	N/A	85.8%	N/A	84.1%
Percent of High Schools that are Blue Star Certified	N/A	N/A	N/A	N/A	N/A	8.1%	81.8%	90.9%	90.9%	83.3%
Residents Age 25 or Older With a Bachelor's Degree	30.9%	31.1%	31.6%	33.3%	32.6%	34.7%	34.7%	32.8%	35.0%	N/A
Residents Age 25 or Older With a Graduate or Professional Degree	10.6%	10.0%	10.9%	11.9%	11.3%	11.9%	11.9%	11.1%	12.3%	N/A
Residents Age 25 or Older With a High School Diploma or Equivalent	92.6%	92.8%	93.1%	93.9%	93.1%	94.8%	92.7%	93.0%	93.4%	N/A
Residents Age 25 or Older Without a High School Diploma or Equivalent	7.4%	7.2%	6.9%	6.1%	6.9%	5.2%	7.3%	7.0%	6.6%	N/A
Percent of Virginia Beach preschool centers receiving early literacy story times and deposit collections through outreach library service	N/A	N/A	N/A	N/A	N/A	N/A	25.0%	36.0%	38.0%	57.0%
Percent of youth with library cards	N/A	36.0%								
Number of VA Quality Rated preschool centers	N/A	30								

A few of the initiatives included in the Resource Management Plan which will address this goal are below. These initiatives are aligned with the City Council's desire to:

- Opportunities for lifelong learning.
- Quality schools and libraries.
- Enhanced community workforce.
- Access to diverse arts and cultural activities.

Full Day Kindergarten/Pre-Kindergarten Expansion

The Schools Budget includes funding to continue the implementation of full-day kindergarten with 12 more elementary schools being included in the program. At the start of the 2018-19 school year, full-day kindergarten will be available in 35 schools across the City. The following elementary schools will be included in this phase: Alanton, Arrowhead, Indian Lakes, Kempsville, Kempsville Meadows, Kings Grant, Landstown, Ocean Lakes, Providence, Salem, Windsor Woods, and Woodstock.

Positions Added to Reduce Class Sizes

The Superintendent's Estimate of Needs (SEON) includes funding for 28 additional teaching positions which will be spread across elementary (8.6), middle (4.4), and high school (15). These new positions will help decrease class sizes in the subject areas with the greatest enrollment. In the high schools, these positions will reduce the number of teachers that are assigned more than 150 students

Schools Continue to Invest in Technology Education

A 21st century workforce will require technology skills that far exceed previous generations. In order to ensure that students are competitive in this area the Schools Operating Budget includes funding to expand the number of Digital Learning Anchor Schools to support the school division's one to one technology initiative, providing access to technology and digital resources for personalized learning opportunities. The schools are also adding three instructional technology specialists and 10 technology support technicians. These 13 technology positions will ensure that each school has at least one full-time technology specialist to support teachers and students in the classroom.

Adam Thoroughgood House Visitor Center to Open

The Adam Thoroughgood House Visitor Center is designed to offer educational programming to student groups and the public. Construction for this project is expected to be completed in June 2018 with annual operating budget impacts identified in the project to begin in FY 2018-19. This funding will cover staff hours through contracted manpower and additional operating funds needed to fulfill the Center's purpose.

GrowSmart to Aid with Reading Program

Funding is included in GrowSmart for an administrative technician position to sustain the VB Reads first grade tutoring program. This program is a partnership between GrowSmart and Virginia Beach Public Schools and pairs trained community volunteers with struggling first grade students to build their confidence as readers. The program was previously staffed by an AmeriCorps VISTA at a very limited cost to the City; however, the three year sunset for the VISTA was reached and an additional position is needed to sustain the program.

Replacement of Schools

The CIP includes programmed funding for the replacement of Princess Anne Middle School (1-056) and Princess Anne High School (1-107). Princess Anne Middle School was originally built in 1974 and Princess Anne High School in 1954. Both of these facilities can no longer adequately house required instructional programs. These projects will extend the useful life of each facility by 80 to 100 years. While Princess Anne Middle School is fully programmed within the six year CIP, some of the funding for the replacement of Princess Anne High School remains outside of the six year program.

IX. LEVERAGE DATA AND TECHNOLOGY TO ENHANCE COMMUNITY LIVABILITY, PROSPERITY, AND SUSTAINABILITY

One of the most important ways to ensure continued growth for the City is to foster technological innovation and create a globally competitive, network infrastructure. To lure the best companies to stimulate the local economy and provide high paying jobs, the City must provide the best quality broadband services and become a leader in data driven decision making and transparency.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Percent of Households with a Broadband Internet Connection	N/A	N/A	N/A	N/A	N/A	84.2%	83.7%	84.8%	89.6%	N/A
Residents Satisfaction with the Opportunity to Share Ideas or Opinions Before the City Makes Important Decisions	N/A	60.7%	N/A	61.9%	N/A	70.1%	N/A	67.9%	N/A	63.3%
Residents voting in Elections for Local Office	N/A	N/A	44.7%	17.7%	74.5%	37.0%	30.9%	23.0%	66.0%	43.0%
Resident Satisfaction with the Level of Communication the City has with them	N/A	N/A	N/A	73.3%	N/A	75.2%	N/A	74.6%	N/A	70.3%

The following are some of the key initiatives included in the Resource Management Plan to achieve this goal. These initiatives are aligned with the City Council’s desire to:

- ➔ Transparent government.
- ➔ Access to affordable broadband and wireless connectivity.
- ➔ Increase government responsiveness.
- ➔ Increase cyber security.
- ➔ Engage citizens.

Data Science and Business Analytics Program Grows

The Department of Information Technology’s data science program has successfully provided training, custom reporting, and visualization development within the Power BI (Business Intelligence) platform. The platform has hundreds of users across many City departments who have used the tool to develop projects supporting neighborhood revitalization, Human Services/Social Services, the Fire Department, IT governance, and Libraries. As a result of this success, additional departments have requested support using Power BI, which is now the City’s enterprise-wide, business intelligence solution. The budget includes funding for the Enterprise Power BI Licensing.

City to Expand Use of Accela

Accela Land Management is the primary application used by the Department of Housing and Neighborhood Preservation, and the Permits division of the Planning and Community Development Department. The Permits unit processes 17 types of permits for commercial and residential building and construction. Housing is responsible for code enforcement on existing properties for property maintenance, inspections of assisted living units, and issues of Certificates of Compliance for rental housing. The Planning department processes site plans and tracks development of plan lifecycles and is responsible for sureties, various board meeting administration and zoning compliance. Each department relies on Accela’s capabilities in defining workflows that assist with the processing of the various inspections and record types. In addition, reporting and scripting services within the application assist each business unit in completing their day-to-day activities.

The FY 2018-19 Operating Budget includes an analyst position to support each of the business units in identifying and optimizing processes and procedures that are currently utilized within the Land Management application. This optimization may include recommendations for configuration settings, workflow changes, and reporting. The analyst will also be responsible for the day-to-day operational support of the Accela program that includes service tickets, root cause analysis, and documentation. They will also assist in the technical aspects associated with these recommendations such as Java scripting and SQL queries. All of these activities provide for system readiness as the City contemplates moving Accela to the cloud as well as promoting efficiency, accountability, agility, and transparency throughout the program.

Several Technology Investments Improve Services and Citizen Access

Case Management Software – The Commonwealth Attorney’s Office continues its efforts to transition to a paperless operation with the anticipated implementation of a replacement case management software system that has improved functionality. The new system is browser-based and has highly configurable navigation screens/views and data elements, which will improve staff productivity and be adaptable to business needs and process changes.

Online Library Card Registration – There is a growing demand for immediate access to the library’s digital collection. Funding is included in the budget to implement an online library card registration with identity verification. This will simplify the current registration process and make it more convenient to access digital content.

While each of the following solutions were implemented in the last year, the FY 2018-19 budget includes the first full year of funding for each.

i Compass – The Commissioner of the Revenue began using iCompass services last year to help the investigative staff identify short-term rental properties to ensure compliance with local taxes. This service saved staff from having to physically verify suspected short-term rental addresses that operate through services such as Airbnb and ensuring fewer addresses remain undetected as rental properties. Since the Commissioner’s Office began using this tool, \$338,000 more in short-term rental taxes have been realized, making these services a positive return on investment.

PublicInput.com – As part of an ongoing effort to effectively collect citizen input and communicate back to constituents, the Communications Office began using PublicInput.com. This enterprise solution will be available to all departments, and allows for the collection of information from citizens on any number of topics. Additionally, PublicInput.com supports customization of the surveys to keep them as engaging as possible. Further, when citizen contact information is collected in these surveys, participants can opt in to receive additional information about topics that are most relevant to themselves, which can be put in a mailing distribution list. This service will allow the Communications Office, and others throughout the city, to provide feedback to the elected leaders about issues that impact their constituents, along with providing the City with a way of communicating issues of importance to those who participate. This service will give citizens an effective way of voicing their opinions on issues before City Council.

Just with the first two surveys using Public Input, citizen participation surpassed that achieved with the old platform, Virtual Town Hall; more than 2,500 participants completed a survey about the programming and amenities to consider as part of the old Dome site project and an impressive 7,300 people registered votes for the stairway art mural at Mount Trashmore.

FOIA Software – The Freedom of Information Office implemented a new software solution in December 2017 to manage Freedom of Information Act (FOIA) requests. The new software allows requests to be made online and has made requesting and providing documentation more efficient. In the last five fiscal years, the total number of FOIA requests has grown by 73% and the total number of pages produced by these requests have tripled.

X. MODERNIZE CITY ASSETS AND INFRASTRUCTURE

Protecting the City’s natural resources and infrastructure is one of the most important goals of the organization. To ensure that these assets continue to provide the services required by residents, the City strives to enhance and plan for the future needs of its roads, storm water systems, buildings, and water resources.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Percent of Drinking Water Tests Meeting or Exceeding Federal Standards	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Acres of Protected Farmland per 1,000 Residents	17.1	18.1	18.5	20.0	19.8	20.5	20.4	20.4	20.5	21.4
Public Open Space per 1,000 Residents	14.9	15.9	16.1	16.7	16.5	16.5	16.4	15.6	15.6	15.6
Residents Satisfied with the Condition of the Streets in Their Neighborhood	N/A	81.1%	N/A	78.2%	N/A	81.3%	N/A	80.8%	N/A	76.3%
Resident Satisfaction with the Maintenance of Existing City Roads and Bridges	N/A	62.8%	N/A	61.1%	N/A	68.7%	N/A	71.3%	N/A	66.3%

Some of the key proposals addressing this area in the Resource Management Plan are included below. These initiatives are aligned with the City Council’s desire to:

- Assets needed for daily life are reliable and accessible
- Green spaces and parks increase quality of life
- Decreased flooding of neighborhoods and businesses
- Decreased cost of service due to improved maintenance over the long term.

Public Utilities Projects Maintain Infrastructure

The CIP includes a number of new projects in the Water and Sewer section that will be critical in maintaining infrastructure and will improve services in a number of neighborhoods.

Funding is included for the design and construction of a new water tank in the Great Neck (5-023) area of the city. The existing water tank is deteriorated and a detailed condition assessment in 2015 and subsequent visual re-inspections found the interior of the Great Neck tank in poor condition. The lack of effective water turn-over makes it prone to water quality problems.

The CIP also includes funding to replace 400 service connections in the Cardamon subdivision (5-022) and an additional 800 service connections in the Pembroke Meadows, Pembroke Shores and Old Donation Farms subdivisions (5-021). The first project is to design and replace approximately 30,000 linear feet of deteriorated water mains and service connections in the Cardamon subdivision. The second project is to design and replace approximately 50,000 linear feet of deteriorated water mains and service connections. Each of these water distribution systems are in deteriorated condition and necessitate replacement to maintain a high quality of service to these neighborhoods.

The CIP also includes funding for the repair and replacement of both water pumps (5-014) and sewer pumps (6-107).

The City has nine water pumps stations and this project will provide for the repair and replacement of pumps and motors in order to better meet customer demand and improve energy efficiency. Ensuring that these pumps are

operational is critical to avoid the loss of water pressure and fire flow. Any loss of water pressure below 20 psi can result in a boil water notice to affected customers.

The City also has 409 sewer pumps stations and each station has two or more pumps. Ensuring that these pumps are operational at all times is critical to avoid the risk of sanitary sewer overflows.

Public Works Adds Staff to Maintain City Facilities and Ensure Fleet Readiness

Since 2001, the City of Virginia Beach has replaced 10 buildings with newer, larger facilities and has constructed an additional 42 new buildings. In FY 2017-18, the city purchased and renovated the new EMS Headquarters (former Adult Learning Center) and leased a City-maintained warehouse. These two additions bring the total to 44 facilities and increases the square feet that must be maintained by 50,552. Staff is also responsible for the exterior of 427 pump stations, 59 miscellaneous structures and 230 park shelters.

The International Facility Management Association (IFMA) widely recognized benchmarking standard for building maintenance staffing is 1 FTE for every 47,000 square feet of buildings to be maintained. To maintain the City's current 4.8 million square feet of space based on this standard would require 103 tradespeople (carpenters, painters, electricians, HVAC mechanics and plumbers). Currently, the Building Maintenance division has 101 tradesmen; however, nine of these positions are specifically dedicated to maintenance in the resort area including the boardwalk and not included in staffing that maintains the total square footage of buildings. This shortage of tradesmen has kept Building Maintenance from completing required, timely preventative maintenance. Building Maintenance also receives 22,000 work order requests each year that are outside of routine maintenance.

In order to ensure the timely maintenance of City facilities, the budget includes four new positions in Building Maintenance. The FY 2017-18 budget also added four positions for this division to help bring staffing levels more closely in line with those levels recommended by the IFMA.

In addition to the positions in Building Maintenance, the City Garage is also adding a Mechanic Supervisor position. This position will oversee generator mechanics, the Marine shop, and the Small Engine Shop mechanics.

Programmed Funding for City Hall Replacement Accelerates

The City Hall, located in Building 1 at the Municipal Center, has significant deficiencies. The building was constructed in 1969 and is an 80,000 square foot facility that provides 62,000 square feet of usable space. Due to the size and configuration of the building, multiple departments have divisions that must locate in other buildings around the municipal complex. The City Council Chambers, Mayor and City Manager's spaces and the staff administration areas don't meet today's needs, nor the needs of the future. A hazardous material survey completed in 2010 identified Asbestos Containing Material (ACM) in numerous locations. ACM was utilized as fire proofing that was applied to the underside of all upper floor joists and decks. All of the building's mudded pipe fittings contain ACM.

The building's electrical, mechanical and plumbing systems, at 48 years of age, are well beyond their typical 20-25 year lifespan. The main electrical switchboard, panel boards and service distribution system are in poor condition. Of the nine air handling units, seven are 48 years old and the other unit is 39 years old. The hot and chill water piping contain many dielectric couplings which leak regularly. Failure of the electrical system, HVAC system, plumbing system or fire protection system would render the building unusable.

In the FY 2017-18 CIP, programmed funding for the replacement of City Hall was allocated through FY 2020-21. Based on a number of public education and input sessions, City Council worked over the summer of 2017 and selected the site on the municipal campus for the new building. Now that this site has been selected, the balance of the funding for this project has been advanced to FY 2018-19.

TRANSPARENCY INITIATIVES CONTINUE

Connecting citizens to how the Resource Management Plan helps achieve City Council goals is critical to citizen engagement in funding decisions. The last two decades have seen a worldwide explosion in the amount of information available at our fingertips. Along with the availability of information is the demand that governments have accessible information that citizens can review at whatever level they choose. Transparency allows citizens to have open dialogue with their elected officials at levels unprecedented in previous years. Below are five initiatives that Virginia Beach proudly has available for citizen interaction.

Open Budget (<http://budgetdata.vbgov.com/>)

The easiest and most granular information about the City's Resource Management Plan is on the Open Budget portal. This tool provides citizens access to the City's budget information at the same detail that City staff use. Users are able to access information about specific revenue and appropriation categories, either in summary or line-item form. Citizens are also able to access the City's capital projects via an interactive map on the site that includes detailed project descriptions. It is important to note that this software reports the City's Operating Budget at the gross budget level meaning that certain expenditures and revenues will be counted multiple times across the various funds and projects.

Open Performance Initiative (<https://performance.vbgov.com/>)

Key indicators ranging from community level outcomes to departmental performance metrics are included to illustrate how well the City is achieving various vision elements. With the 10 City Council goals, the platform will be reconfigured to ensure alignment with all of the Council goals.

Balancing Act (<http://virginiabeachva.abalancingact.com>)

and Taxpayer Receipt (<http://virginiabeachva.abalancingact.com/taxreceipt>)

In an effort to increase transparency and more effectively communicate budgetary decisions of the City to its citizens, Budget and Management Services implemented two interactive tools, Balancing Act and Taxpayer Receipt. These web based applications allow residents to directly engage in the budget process and learn about the many factors that impact the funding decisions of a major City. Balancing Act allows anyone to create their own budget by allocating funds to the programs and services that matter most to them while learning about the tradeoffs inherent in all budgetary decisions. Using the proposed City budget as a baseline, residents can create and submit their own vision of what the City's funding priorities should be.

Taxpayer Receipt enhances residents' investments in their local government by providing a department level breakdown of all the programs and services that their local taxes support. By answering a few simple questions, the application is able to personalize the receipt to each citizen's level of taxation, giving citizens a tangible outcome for their tax dollars. These tools aim to raise the level of citizen engagement in the budget process by exposing them to the delicate and complex funding decisions of City leadership and giving them a platform to express their own vision of how the City should allocate its limited resources.

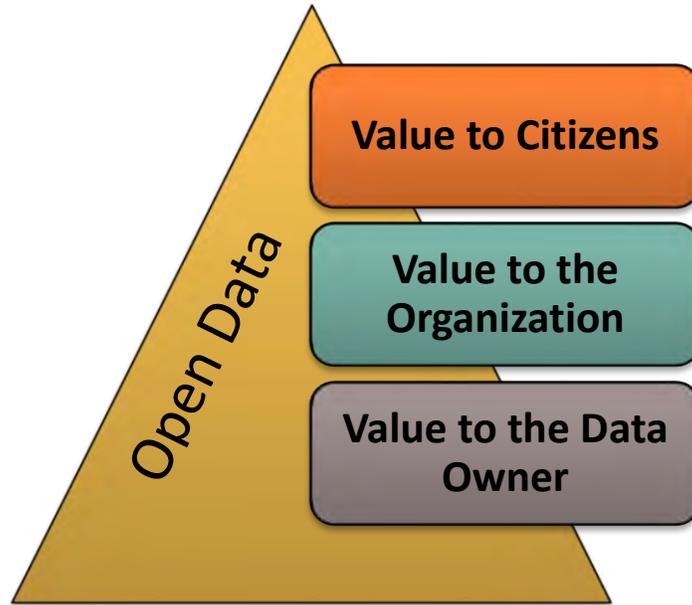
Open Data (<https://data.vbgov.com/>)

In 2016, the City Manager appointed a multi-agency board to develop policies requiring departments to make data open. This involves taking raw data and extracting it from its natural system and making it available in a machine readable data file. Once data has been put through this process, it is possible to conduct analysis across data sets, perform predictive analysis to find potential problems, improve processes, evaluate various methods of service delivery, and create business opportunities. The core value of this initiative is to make the management and filling of requests for data easier for the data owner. A secondary benefit to the organization is the streamlining of data analysis to improve processes and identify inefficiencies. Finally, citizens are able to use the system to find data about their City government without having to file cumbersome Freedom of Information Act requests. They may

also find new ways to use City data to start businesses, write mobile applications, and help flag other opportunities for the City to improve.

Budget Fact Cards

In addition to being available to citizens, each City employee will receive a budget fact card to understand the issues driving the City Manager’s Proposed Budget. The cards have been updated this year to provide a more visual display of the Resource Management Plan. These cards will provide key summary tables concerning the Operating Budget and CIP, an overall compensation discussion, and list of major initiatives. The goal of the budget fact cards is to engage employees, so they have a clear understanding of the overall spending plan for the next year.



FINANCIAL STRATEGY

Virginia Beach has a strong financial system. This system is based on sound strategies that guide the financial activities of the government and ensure it continues to be transparent to the public. These strategies provide guidance in both good and bad economic times. They are forward-looking with the intent to sustain the community and the organization into the future.

Review of Tax Relief Programs

The City's Elderly and Disabled Real Estate Tax Relief program is a program offered by the City to provide tax relief assistance for qualifying individuals. This is an optional program that the City offers and is not mandated by the State. Since its inception, cost for this program have annually increased at a rapid rate. In FY 2014-15, City Council established a task force to review the Tax Relief for the Elderly and Disabled Program and the cost driving factors associated with the program. The task force made several recommendation to City Council at a March 3, 2015 meeting. City Council voted and adopted an alternative that lowered the income eligibility parameters, established growth of the income thresholds to annually grow by same rate as single family home assessed growth, removed the tax deferral program, and recommended an option for City Council to revise the program every three years. Based on a three year review, growth within the program is steady; however, program costs and participation is below where they were at the point in time when City Council revisions were implemented.

A similar tax relief program provided by the City is the Tax Relief for the Disabled Veterans program. Unlike the Elderly and Disabled program, the Disabled Veterans program is mandated by the State. Any eligible participant receives 100% Real Estate tax exemption. Concerns are mounting regarding the cost of this program. Annual participation is growing on average 16% per year with the cost growing 193% since FY 2012-13. State legislation continues to change expanding the pool of eligible participants within this program. Should this mandated program cost continue to grow at this rate a discussion will likely need to occur within the future regarding modification to other tax exemption programs to cover the cost increases associated with this unfunded mandate.

City/School Revenue Sharing Formula

The current City/School Revenue Sharing Formula will expire on June 30, 2018. The City's revenue for FY 2018-19 is allocated according to the current policy. Once the FY 2018-19 Resource Management Plan is adopted by City Council in May, City and School staff will review the current formula with the goal of providing alternatives for City Council review in the summer of 2019 for inclusion in the FY 2019-20 budget process.

Open Government Initiative

The City is committed to financial transparency. The continued support of an open government initiative is a major step in creating a culture of transparency, participation, and collaboration in government operations.

This will maintain important lines of communication and cooperation between the City and the public.

This will continue to increase public access to data and information online, in a user friendly and interactive format, that promotes accountability and more informed public participation.

Internal Process

Internal financial controls including use of city provided equipment will be reviewed annually to ensure compliance with accepted accounting procedures.

Financial records and statements will be transparent and open to public review via the City's website, www.vbgov.com.

Purchases and contracts will continue to be made on a competitive basis to ensure best prices while maintaining quality and diversity.

The City will use an accrual basis of accounting for revenues and expenditures. This accounting will be annually reviewed by an independent auditor as required by state law.

Capital Improvement Program Practices

Capital requirements will be linked to the adopted Comprehensive Plan and identified over a six-year period to allow adequate financial planning.

Infrastructure maintenance is a critical service provided to the community and therefore will be a primary focus of the City's Operating Budget and Capital Improvement Program.

- ➔ Existing resources will first go to the maintenance of existing infrastructure.
- ➔ New projects will require new revenues to support construction, operations and long-term maintenance needs.
- ➔ Fund capital projects using a pay-as-you-go strategy first (current funding strategy is local revenues first followed by state or federal revenues and finally available City fund balance) and only then look to debt financing strategies.

Budgetary Practices

Taxes and fees will be recommended to sustain critical services to the community while being conscious of the impact on the taxpayers.

- ➔ Diversity of revenue sources will be maintained to the extent allowed under the Dillon Rule to ensure economic stability of City services.
- ➔ Equity among differing taxpayer classes (commercial, homeowner, industrial and non-homeowners) shall be maintained to the extent possible under the law.

Ensure the city maintains adequate funding to address emergency needs; assure the city's bond holders that funding is available to make bond payments; and to address unforeseen needs to accomplish this, the City maintains:

- ➔ A general fund balance between 8-12% of the following years revenues.
- ➔ An annual reserve (Reserve for Contingencies) backed by current revenues not to exceed one-half of one percent of the total General Fund.

Provides services desired by the community and authorized by City Council at the minimum funding level necessary to accomplish the program's goals.

As a way to meet this requirement, full-time permanent positions must be authorized by the City Council. The City Manager may establish part-time or temporary positions to meet specific requirements.

Transfers or increases of appropriations over \$100,000 require City Council authorization.

Employees of the City and school system will receive adequate compensation, commensurate with their expected duties and comparable job titles.

Health care will be provided with an employer contribution determined by the City Council and School Board. Employees will pay the difference between that contribution and the premium amount.

Employees are required to participate in the Virginia Retirement System and the City and school system provides funding according to state law.

Budgetary Practices (cont.)

Positions may be added or removed based on service requirements or budgetary constraints, but the City and school system will work with employees to transition those whose positions were removed to available positions.

Balance the Operating Budget with current revenues only using previous year's balances for one-time purchases either in the Operating Budget or in the Capital Improvement Program, except in times of economic downturn when the use of fund balance is needed to prevent drastic service cuts.

City Council dedicated revenues will be reviewed annually as a part of the Operating Budget process and adjustments will be recommended to ensure that revenues are in line with long-term program goals. Revenues that were increased by City Council to meet specific goals are separately monitored by staff.

Leverage private dollars with local resources to encourage development and job creation that meets the City's long-term goal of fiscal sustainability for the community.

- ➔ Where possible, redirect new revenues generated by the project to meet public infrastructure demands of the project (Tax Increment Financing or Special Service Districts).
- ➔ Use funding set up in the Economic Development Incentive Program to incentivize the expansion of existing businesses or to attract new businesses in order to encourage job growth in the community.

ESTIMATED GENERAL FUND BALANCE

Projection of General Fund Balance

At June 30, 2018

Beginning Fund Balance at July 1, 2017 (CAFR)	\$199,762,430
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Add: Revenues			
FY 2017-18 General Fund Revenues-Revised Estimate	\$1,129,822,903		
Surplus from Sandbridge TIF	8,000,000		
		<u>1,137,822,903</u>	

Total Fund Balance and Revenues	\$1,337,585,333
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Less: Anticipated FY 2017-18 Expenditures:			
Operating Expenditures	\$609,393,558		
School Operations*	451,869,227		
Other Transfers*	105,111,055		
		<u>1,166,373,840</u>	

Total Projected Fund Balance at June 30, 2018	\$171,211,493
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Less: Anticipated Uses of Fund Balance:			
Loans, Advances, and Inventory	\$10,647,511		
Encumbrances and Carryforwards	10,000,000		
Human Services Electronic Health Record Implementation	4,000,000		
Community Services Board	1,854,627		
School Operating Budget	409,000		
Compression Adjustments	3,000,000		
FY 2018-19 Capital Budget	27,927,319		
		<u>57,838,457</u>	

Total Estimated Undesignated Fund Balance at June 30, 2018	\$113,373,036
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Calculation of Undesignated General Fund Balance Reserve

Projected FY 2018-19 General Fund Revenues**	\$1,156,387,927
Undesignated Fund Balance as a percentage of FY 2018-19 Revenues	9.8%

Notes:

* Reflects full transfer of budgeted amounts

** Net of Fund Balance Usage

CHANGES IN UNDESIGNATED FUND BALANCES

	General	Special Revenues	Schools	Enterprise and Utilities	Capital Projects	Internal Services	Total All Funds
Estimated Undesignated Fund Balances at June 30, 2018	113,373,036	39,787,742	-	151,742,350	-	13,554,970	318,458,098
Add: Estimated Reserved Fund Balances at June 30, 2018	57,838,457	25,344,828	38,317,074	66,830,424	-	-	188,330,783
Total Estimated Fund Balances at June 30, 2018	171,211,493	65,132,570	38,317,074	218,572,774	-	13,554,970	506,788,881
Add: Estimated FY 2018-19 Revenues	1,156,387,927	214,642,125	920,414,515	215,664,814	72,571,819	212,668,682	2,792,349,882
Less: Estimated FY 2018-19 Expenditures including Fund Balance Use for CIP	1,176,120,674	219,614,619	932,994,193	235,904,814	72,571,819	214,623,705	2,851,829,824
Total Estimated Fund Balances at June 30, 2019	151,478,746	60,160,076	25,737,396	198,332,774	-	11,599,947	447,308,939
Less: Estimated Reserved Fund Balances at June 30, 2019	38,613,680	22,491,562	25,737,396	66,830,424	-	-	153,673,062
Total Estimated Undesignated Fund Balances at June 30, 2019	112,865,066	37,668,514	(0)	131,502,350	-	11,599,947	293,635,877
Change in Undesignated Fund Balances	(507,970)	(2,119,228)	(0)	(20,240,000)	-	(1,955,023)	(24,822,221)

Notes:

- (1) Reserved Fund Balances are used to provide funding for future obligations, such as loans, advances, encumbrances, and "pay-as-you-go" funding for the Capital Improvement Program.
- (2) The amounts for Gift Funds are incorporated in the respective department funds.
- (3) The "Total All Funds" includes Interfund transfers and excludes the use of fund balance in estimated revenues.
- (4) The fund balance (i.e., net assets) for Enterprise and Utilities funds are exclusive of property, plant, and equipments. Some of the net assets are reserved to fund either capital projects or future debt payments.

REVENUE SUMMARY

	FY 2017 Actual	FY 2018 Adjusted Budget	FY 2019 Adopted Budget	% Change
Revenue Source Summary				
Revenue from Local Sources				
General Property Taxes				
Real Estate	543,932,356	566,300,896	583,358,059	3.01
Personal Property	152,724,548	155,933,379	159,729,356	2.43
Total General Property Taxes	696,656,905	722,234,275	743,087,415	2.89
Other Local Taxes				
General Sales Tax	62,614,614	65,135,023	66,621,323	2.28
Utility Tax	44,914,521	41,972,385	49,337,837	17.55
Business License	47,009,977	46,786,036	48,669,429	4.03
Automobile License	11,189,995	10,807,765	10,757,313	-0.47
Cigarette Tax	11,906,282	11,906,906	11,609,814	-2.50
Amusement Tax	6,804,345	6,331,312	6,872,387	8.55
Hotel Room Tax	32,805,597	34,897,289	37,309,175	6.91
Restaurant Meal Tax	65,207,698	68,807,636	70,523,740	2.49
Other Taxes	16,123,045	19,668,372	11,399,109	-42.04
Total Other Local Taxes	298,576,073	306,312,724	313,100,127	2.22
Other Local Revenue				
Permits, Privilege Fees, and Regulatory Licenses	6,037,437	5,980,627	6,184,817	3.41
From the Use of Money and Property	13,734,848	10,654,153	12,712,270	19.32
Charges for Services	274,518,250	277,747,933	282,067,169	1.56
Miscellaneous Revenue	9,087,043	8,683,440	10,713,687	23.38
Fines and Forfeitures	6,268,453	6,489,556	6,290,086	-3.07
Total Other Local Revenue	309,646,031	309,555,709	317,968,029	2.72
Revenue from the Commonwealth				
State Shared Sales Tax	75,228,750	73,718,340	75,344,490	2.21
Other Sources from the Commonwealth	395,627,672	419,087,998	420,071,398	0.23
Total Revenue from the Commonwealth	470,856,421	492,806,338	495,415,888	0.53
Revenue from the Federal Government				
Non-Revenue Receipts	112,473,374	116,077,312	120,157,276	3.51
Total Revenues	1,894,625,117	1,949,771,992	1,993,848,776	2.26
Fund Reserves Summary				
Specific Fund Reserves	102,608	19,905,909	15,231,927	-23.48
Total Fund Reserves	102,608	19,905,909	15,231,927	-23.48
TOTAL FINANCING REQUIRED	1,894,727,725	1,969,677,901	2,009,080,703	2.00

DEDICATION OF LOCAL REVENUES

Dredging Special Service Districts – Real Estate Rates				
Real Estate *				
\$583,358,059 (Rate = 1.0025¢ per \$100 of value)				
Recreation Centers \$19,418,709 (3.476¢)	Agricultural Reserve Program \$4,966,225 (0.90¢)		Outdoor Initiative \$2,625,660 (0.47¢)	
Sandbridge TIF \$10,297,813	Town Center TIF \$7,333,268		Capital Improvement Program (CIP): Storm Water \$6,576,510 (1¢) General Government \$4,469,208 (0.8¢) Roadways \$9,673,020 (2-cent less \$1.5M for line of duty cost)	
Sandbridge SSD \$739,993 (additional rate of 6¢)	Town Center SSD \$2,034,071 (additional rate of 45¢)		School Operations & CIP \$29,329,178 (5.25¢)	
Bayville Creek SSD \$75,241 (additional rate of 56.9¢)	Harbour Point SSD \$18,156 (additional rate of 7.9¢)	Chesopeian Colony SSD \$209,162 (additional rate of 29.13¢)	Old Donation Creek SSD \$72,620 (additional rate of 18.4¢)	Shadowlawn Area SSD \$29,056 (additional rate of 15.94¢)
Gills Cove SSD \$13,886 (additional rate of 6.3¢)	Hurds Cove SSD \$231,221 (additional rate of 43.8¢)			

Personal Property *	
\$159,729,356 (Rate = \$4.00 per \$100 of value)	
Public Safety Initiative \$11,214,280 (30¢ of the \$4.00 is dedicated to public safety)	

Restaurant Meals *		
\$70,523,740 (local rate = 5.5%)		
Tourism Investment Program \$13,562,939 (1.06%)	Open Space \$5,629,899 (0.44%)	Tourism Advertising Program \$6,397,613 (0.5%)

Hotels *			
\$37,309,175 (local rate = 8% plus \$2 per room night)			
Tourism Advertising Program \$6,233,501 (1% plus \$1 per room night)	Tourism Investment Program (TIP) \$18,950,087 (5% plus \$1 per room night)	Central Business District TIF \$500,000	Sandbridge SSD \$3,926,250 (\$1 per room night plus 6.5% of the tax generated in the Sandbridge SSD)

Other Revenue Dedications				
Amusement \$6,872,387 (local rate = 5% & 10%)	Cigarette * \$11,609,814 (local rate = 75¢ per pack)			Automobile * \$10,757,313 (\$30 vehicles under 4,000 pounds)
Tourism Investment Program \$6,872,387 (100%)	Economic Development Investment Program \$2,476,760 (16¢)	Tourism Investment Program \$773,988 (5¢)	City Operations/Economic Development Biomedical \$773,988 (5¢)	CIP – General Government \$1,920,949 (\$5)

Other Non-Dedicated Local Revenues			
City Tax on Deeds * \$7,910,904	Bank Net Capital * \$3,385,587	Wills * \$102,618	Business License * \$48,669,429
General Sales * \$66,621,323	Utility Taxes * \$49,337,837		

*These revenues are included in the School Revenue Sharing Formula net of dedicated amounts. For information on the school formula see the Appendix Section of the Operating Budget.

SUMMARY OF FEE & TAX ADJUSTMENTS

Department	Title	Current Fee	Proposed Fee
Planning & Community Development	Boards and Commissions Applications	\$220 - \$1,330	\$230 - \$1,360
Planning & Community Development	Residential Plan Review	\$75	\$100
Planning & Community Development	Residential Counter Plan Review	\$0	\$25
Planning & Community Development	Residential Plan Review Revision	\$0	\$25
Planning & Community Development	Commercial Plan Review	\$150	\$200
Planning & Community Development	Commercial Plan Review (Minor)	\$0	\$100
Planning & Community Development	Commercial Counter Plan Review	\$0	\$50
Planning & Community Development	Special Use & Occupancy Review	\$150	\$400
Planning & Community Development	Revisions of Commercial Plan Review	\$0	\$50
Planning & Community Development	Waiver of Formal Site Plan Review	\$0	\$50
Planning & Community Development	Asbestos Removal Permit	\$0	\$25
Planning & Community Development	Code Verification Letter	\$0	\$25
Planning & Community Development	Modification of Existing Permit	\$0	\$25
Planning & Community Development	Daily Parking Rates (Fees Charged to Park in Croatan Lot)	\$5	\$7
Parks and Rec	Summer Registration Fee (Back to Nature Camp)	\$0	\$5
Parks and Rec	Summer Registration Fee (Summer Camp)	\$0	\$5
Parks and Rec	Summer Registration Fee (Therapeutic Recreation Camp)	\$0	\$5
Parks and Rec	Shelter Rentals (Non-Resident, Small Shelter, Full Day) (Jan 1, 2019)	\$40	\$50
Parks and Rec	Shelter Rentals (Non-Resident, Medium Shelter, Full Day) (Jan 1, 2019)	\$80	\$100
Parks and Rec	Shelter Rentals (Non-Resident, Large Shelter, Half Day) (Jan 1, 2019)	\$85	\$100
Parks and Rec	Shelter Rentals (Non-Resident, Large Shelter, Full Day) (Jan 1, 2019)	\$170	\$200
Parks and Rec	Equipment Rentals (ShowMobile) (Jan 1, 2019)	\$400	\$500
Parks and Rec	Equipment Rentals (Flatbed Stage) (Jan 1, 2019)	\$200	\$250
Parks and Rec	Equipment Rentals (Bleachers) (Jan 1, 2019)	\$200	\$250
Parks and Rec	Permit Application (Short Notice Event Permit Processing Fee) (1 – 7 Days) (Jan 1, 2019)	\$0	\$25
Parks and Rec	Permit Application (Short Notice Event Permit Processing Fee) (8 – 14 Days) (Jan 1, 2019)	\$0	\$50
Parks and Rec	Lynnhaven Boat Ramp & Beach Facility Boat Ramp Fee (Saltwater Fishing License Holder)	\$8	\$10
Parks and Rec	Lynnhaven Boat Ramp & Beach Facility Boat Ramp Fee (Non-Saltwater Fishing License Holder)	\$16	\$20
Parks and Rec	Back to Nature Camp Fee	\$180	\$200
Parks and Rec	Community Recreation Center Birthday Party (Birthday Blast) (Kempsville, SEATAK, Great Neck, Bayside, Princess Anne, Williams Farm)	\$265	\$275
Parks and Rec	Community Recreation Center Birthday Party (Nerf Battle/Saberation) (Kempsville, Bow Creek, Great Neck, Bayside)	\$350	\$375
Parks and Rec	Community Recreation Center Birthday Party (Pool Party) (Kempsville, Bow Creek, Williams Farm)	\$265	\$275
Parks and Rec	Community Recreation Center Birthday Party (Pool Party) (SEATAK, Great Neck, Princess Anne)	\$225	\$235
Parks and Rec	Community Recreation Center Birthday Party (Climbing Wall) (SEATAK)	\$215	\$325

Note: City Council has suspended the \$0.025 increase in the per-day Equivalent Residential Unit fee used for storm water operations until FY 2019-20.

EXPENDITURE SUMMARY

Department Name	FY 2017 Actual	FY 2018 Adjusted Budget	FY 2019 Adopted Budget	% Change
Agriculture	3,198,147	5,759,375	5,949,473	3.30
Budget and Management Services	1,409,772	1,466,209	1,422,761	-2.96
City Attorney	3,969,489	4,303,791	4,459,610	3.62
City Auditor	871,537	866,092	946,303	9.26
City Clerk	616,517	658,341	640,073	-2.77
City Manager's Office	3,820,201	2,333,478	2,610,189	11.86
City Real Estate Assessor	3,046,949	3,307,160	3,340,518	1.01
City Treasurer	5,716,289	6,162,154	6,287,888	2.04
Commissioner of the Revenue	4,606,697	4,705,745	4,734,280	0.61
Commonwealth's Attorney	8,652,083	9,444,107	9,812,993	3.91
Communications Office	0	1,639,665	1,798,262	9.67
Convention and Visitors Bureau	23,986,962	27,047,662	27,944,074	3.31
Courts and Courts' Support	6,575,362	6,811,958	6,976,313	2.41
Cultural Affairs	2,299,532	2,438,967	2,437,822	-0.05
Debt Service	49,705,434	53,067,145	52,883,834	-0.35
Department of Aquarium and Museums	10,961,327	12,809,144	12,795,850	-0.10
Economic Development	3,749,273	4,268,500	5,889,639	37.98
Emergency Communications and Citizen Services	8,864,987	11,087,292	11,099,236	0.11
Emergency Medical Services	11,269,520	12,125,473	12,494,189	3.04
Finance	4,837,313	5,138,719	5,849,653	13.83
Fire	54,681,901	54,186,960	54,684,351	0.92
Future C.I.P. Commitments	0	8,000,000	8,000,000	0.00
Health	3,376,759	3,404,567	3,479,663	2.21
Housing and Neighborhood Preservation	28,492,095	30,833,925	32,920,017	6.77
Human Resources	4,126,914	4,769,713	4,892,507	2.57
Human Services	108,727,917	119,390,208	120,848,103	1.22
Information Technology	22,132,293	25,893,492	26,660,102	2.96
Library	17,535,486	18,455,058	18,379,773	-0.41
Municipal Council	556,485	517,719	583,962	12.80
Non-Departmental	65,771,261	75,821,416	78,570,341	3.63
Office of Emergency Management	400,944	458,395	548,365	19.63
Parks and Recreation	48,117,052	58,153,334	56,756,557	-2.40
Pay-As-You-Go Capital Projects	57,414,370	68,951,409	72,071,819	4.53
Planning and Community Development	23,222,379	23,884,462	23,785,980	-0.41
Police	97,528,973	103,146,466	102,865,201	-0.27
Public Education	796,366,968	894,508,198	914,254,108	2.21
Public Utilities	74,567,267	107,426,664	108,753,098	1.23
Public Works	163,595,321	144,025,564	142,325,657	-1.18
Reserve for Contingencies	0	1,966,211	7,858,640	299.68
Sheriff's Office	45,818,030	47,916,334	48,142,529	0.47
Strategic Growth Areas	208,341	0	0	0.00
Strategy, Transparency, Innovation & Resiliency Office	273,679	698,276	599,904	-14.09
Voter Registration & Elections	2,443,293	1,828,553	1,727,066	-5.55
TOTAL EXPENDITURES	1,773,515,119	1,969,677,901	2,009,080,703	2.00

CITY PERSONNEL SUMMARY

Department Name	FY 2017 Actual	FY 2018 Adjusted Budget	FY 2019 Adopted Budget	% Change
Agriculture	12.00	12.50	9.00	-28.00
Budget and Management Services	14.00	14.00	14.00	0.00
City Attorney	40.61	42.61	42.61	0.00
City Auditor	7.00	7.00	8.00	14.29
City Clerk	6.00	6.00	6.00	0.00
City Manager's Office	33.00	16.50	18.00	9.09
City Real Estate Assessor	34.00	34.00	34.00	0.00
City Treasurer	74.60	74.60	74.60	0.00
Commissioner of the Revenue	64.93	65.53	64.93	-0.92
Commonwealth's Attorney	94.85	94.83	97.83	3.16
Communications Office	0.00	18.50	20.50	10.81
Convention and Visitors Bureau	120.28	120.28	120.28	0.00
Courts and Courts' Support	75.00	75.00	75.00	0.00
Cultural Affairs	3.00	3.00	4.00	33.33
Department of Aquarium and Museums	156.75	153.61	151.20	-1.57
Economic Development	18.00	19.00	20.00	5.26
Emergency Communications and Citizen Services	130.75	137.75	137.75	0.00
Emergency Medical Services	80.05	87.55	89.55	2.28
Finance	57.00	59.00	59.00	0.00
Fire	501.71	521.71	523.21	0.29
Health	9.08	9.08	9.08	0.00
Housing and Neighborhood Preservation	64.00	79.00	80.00	1.27
Human Resources	47.00	49.00	50.00	2.04
Human Services	1,098.96	1,148.71	1,158.20	0.83
Information Technology	175.00	184.00	193.00	4.89
Library	251.50	251.50	253.00	0.60
Municipal Council	11.00	11.00	11.00	0.00
Office of Emergency Management	4.00	5.00	6.00	20.00
Parks and Recreation	882.30	886.21	886.53	0.04
Planning and Community Development	132.97	134.00	138.00	2.99
Police	1,028.76	1,040.76	1,048.76	0.77
Public Utilities	414.00	417.00	415.00	-0.48
Public Works	902.88	925.88	938.88	1.40
Sheriff's Office	526.44	532.82	536.82	0.75
Strategy, Transparency, Innovation & Resiliency Office	4.00	6.00	6.00	0.00
Voter Registration & Elections	12.00	12.00	12.00	0.00
Total City Positions	<u>7,087.42</u>	<u>7,254.93</u>	<u>7,311.73</u>	<u>0.78</u>
Education	<u>10,154.82</u>	<u>10,207.77</u>	<u>10,333.42</u>	<u>1.23</u>
Totals				
Total City Full Time Positions	6,408.00	6,583.50	6,655.00	1.09
Total City Part Time Positions	668.42	660.43	645.73	-2.23
Total City Council Members	11.00	11.00	11.00	0.00
Total School Positions	10,154.82	10,207.77	10,333.42	1.23
Total Positions	<u><u>17,242.24</u></u>	<u><u>17,462.70</u></u>	<u><u>17,645.15</u></u>	<u><u>1.04</u></u>

CITY ADDITIONS & REDUCTIONS

Department	FTE Changes Between Adopted FY 2017-18 & Adjusted FY 2017-18	#FTEs	FTE Changes Between Adjusted FY 2017-18 & Adopted FY 2018-19	#FTEs	Total Dept. FTE Variance
Agriculture			Extension Agent	-4.00	-3.50
			Museum Educator I	0.50	
Aquarium & Historic Houses			Exhibit Technician I	1.00	-2.41
			Exhibit Technician III	1.00	
			Graphic Designer*	0.10	
			Security (Crew Leader)	0.50	
			Exhibit Technician III	-1.00	
			Operations Assistant I	-2.38	
			Support Specialist II	0.05	
			Usher/Ticket Taker	-1.08	
			Operations Assistant II	-0.64	
			Operations Specialist	0.45	
			Boat Captain	-0.08	
			Operations Assistant III	-0.33	
City Auditor			Auditor I	1.00	1.00
Budget & Management Services			Account Clerk I	1.00	0.00
			Budget and Management Analyst I	-0.50	
			Administrative Specialist I	-0.50	
City Manager's Office			Administrative Specialist I	1.00	1.50
			Office Assistant I	0.50	
Office of the Commonwealth's Attorney			Assistant Commonwealth's Attorney	1.00	3.00
			Assistant Commonwealth's Attorney	1.00	
			Paralegal	1.00	
Communications Office	Multimedia Communications Specialist II	1.00	Electronics Operations Technician (Funded Within School Operating Budget in FY 2017-18)	1.00	2.00
			Media and Communications Specialist III	1.00	

Commissioner of Revenue	Revenue Agent III	0.60	Revenue Agent III	-0.60	-0.60
Office of Cultural Affairs			Administrative Specialist I	1.00	1.00
Economic Development			Administrative Technician	1.00	1.00
Emergency Medical Services			Brigade Chief	1.00	2.00
			Division Officer	1.00	
Fire	Firefighter Recruit (Fort Story)	15.00			1.50
			Public Safety Strength Conditioning & Exercise Specialist	1.00	
			EMS Instruction Supervisor	0.50	
Housing & Neighborhood Preservation			Housing Construction Specialist II	1.00	1.00
Human Resources			Human Resources Coordinator	1.00	1.00
Human Services	Eligibility Worker I	-1.00	Family Services Specialist II	2.00	9.49
	Clinician II	0.50	Human Services Supervisor I	1.00	
	Juvenile Detention Counselor	4.00	Clerk III	2.00	
	Case Manager	1.00	BH/DS Clinician III	3.00	
			Eligibility Worker Assistant	1.00	
			Administrative Technician	1.00	
			Reduction of Various Part-Time Hours	-0.06	
			Psychiatrist		

			-0.45	
Information Technology	Systems Analyst II	8.00		9.00
	Systems Engineer II	1.00		
Library	Library Program Specialist*	1.50		1.50
Office of Emergency Management	Administrative Assistant I	1.00		1.00
Parks & Recreation	Parks and Recreation Aide I	-2.20		0.32
	Facility Customer Assistant	-9.10		
	Activity Center Assistant Leader	-5.90		
	Recreation Class Instructor	-0.67		
	Recreation Specialist I	5.10		
	Parks and Recreation Aide IV	6.09		
	Groundskeeper I	7.00		
Planning & Community Development	Planning Technician I	1.00		4.00
	Plans Examiner I	1.00		
	Code (Fire) Inspector I	1.00		
	Administrative Assistant I	1.00		
Police	Police Sergeant	2.00		8.00
	Police Officer Recruit	4.00		
	Storekeeper I	1.00		
	Office Assistant	1.00		
Public Utilities	Meter Reader	-2.00		-2.00
Public Works	Engineer IV	1.00		13.00
	Engineer III	1.00		
	Construction Inspector III	3.00		
	Construction Inspector II	3.00		
	Electrician II	1.00		

			Maintenance Engineer I/Heating	1.00	
			Plumber II	1.00	
			Motor Equipment Operator III	1.00	
			Mechanic Supervisor	1.00	
Sheriff's Office	Canteen Food Service Assistant	1.00	Business Application Specialist II	1.00	4.00
	Account Clerk	0.38	Deputy Sheriff/Lieutenant	1.00	
			Deputy Sheriff/Master	1.00	
			Deputy		
			Deputy Sheriff	1.00	
Total Net New		22.48		56.8	

SCHOOL PERSONNEL SUMMARY

Budgeted Positions for All School Board Funds

	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget	FY 2017/18 Budget	FY 2018/19 Adopted	Variance
General Fund						
Fund 115 - School Operating						
Instruction	6,911.40	6,736.60	6,800.00	6,853.85	6,972.45	118.60
Administration, Attendance and Health	280.80	276.80	279.80	280.30	281.30	1.00
Pupil Transportation	667.13	666.13	675.13	675.13	693.88	18.75
Operations and Maintenance	1,159.50	1,169.50	1,169.50	1,152.50	1,134.50	(18.00)
Technology	188.00	170.00	176.00	182.00	186.00	4.00
School Operating Fund Total	9,206.83	9,019.03	9,100.43	9,143.78	9,268.13	124.35
Fund 104 – Green Run Collegiate	24.80	32.90	39.30	39.30	39.30	-
General Fund Total	9,231.63	9,051.93	9,139.73	9,183.08	9,307.43	120.35
Fund 106 – Technology	-	-				-
Fund 114 – Cafeterias	490.89	490.89	490.89	495.89	492.89	(3.00)
Fund 116 – Categorical Grants	484.50	478.50	509.20	516.80	521.10	4.30
Fund 117 – Textbooks	1.50	1.50	1.50	1.50	1.50	-
Fund 614 – Risk Management	5.00	5.00	7.00	4.00	4.00	-
Funds 615/617 – Health Insurance	6.50	6.50	6.50	6.50	6.50	-
Other Funds Total	988.39	982.39	1,015.09	1,024.69	1,025.99	1.30
TOTAL BUDGET	10,220.02	10,034.32	10,154.82	10,207.77	10,333.42	125.65

Breakdown of Categorical Grant Funds and Other Funds

	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget	FY 2017/18 Budget	FY 2018/19 Adopted	Variance
Adult Basic Education Funds	5.00	5.00	5.00	5.00	5.00	-
DoDEA MCASP	4.00	-	-	-	-	-
DoDEA MCASP Operation GRIT	-	-	-	1.00	1.00	-
DoDEA MCASP Operation Pride	3.00	3.00	2.00	-	-	-
DoDEA SFLEP	2.00	-	-	-	-	-
DoDEA Special Education	-	1.00	1.00	1.00	1.00	-
MTSS-B Impact Evaluation Study	-	-	1.20	-	-	-
Preschool Incentive	5.00	5.00	5.00	4.00	4.00	-
Title I, Part A	118.00	116.00	122.00	128.00	125.00	(3.00)
Title I, Part D - Subpart 1	0.50	-	-	-	-	-
Title I, Part D - Subpart 2	1.00	1.00	1.00	1.00	1.00	-
Title II, Part A	24.50	26.00	24.00	24.00	18.00	(6.00)
Title III, Part A - Language Acquisition	1.00	1.00	1.00	1.00	1.00	-
Title IV, Part A, Student Support and Academic Enrichment	-	-	-	-	1.00	1.00
Title VI, Part B (IDEA)	306.50	306.50	253.00	245.80	245.80	-
Virginia Preschool Initiative Plus (VPI+)	-	-	-	-	12.00	12.00
Federal Grants Total	470.50	464.50	415.20	410.80	414.80	4.00
Early Intervention Reading Initiative (PALS)	1.00	1.00	1.00	1.00	1.00	-
Jail Education Program	1.00	1.00	1.00	1.00	1.50	0.50
Juvenile Detention Home	11.00	11.00	11.00	11.00	11.00	-
VA Initiative for At-Risk Four-Year-Olds	-	-	80.00	92.00	90.00	(2.00)
State Grants Total	13.00	13.00	93.00	105.00	103.50	(1.50)
Opportunity, Inc. - ALC	-	-	-	-	0.80	0.80
Opportunity, Inc. - STEM	1.00	1.00	1.00	1.00	2.00	1.00
Local Grants Total	1.00	1.00	1.00	1.00	2.80	1.80
Categorical Grants Total	484.50	478.50	509.20	516.80	521.10	4.30
Cafeterias	490.89	490.89	490.89	495.89	492.89	(3.00)
Health Insurance	6.50	6.50	6.50	6.50	6.50	-
Risk Management	5.00	5.00	7.00	4.00	4.00	-
Technology	-	-	-	-	-	-
Textbooks	1.50	1.50	1.50	1.50	1.50	-
Other Funds Total	503.89	503.89	505.89	507.89	504.89	(3.00)
Categorical Grants and Other Funds Total	988.39	982.39	1,015.09	1,024.69	1,025.99	1.30

DEMOGRAPHICS

		1980	1990	2000	2010	2016
Gender:						
	Male	50.8%	50.8%	49.5%	48.9%	49.1%
	Female	49.2%	49.2%	50.5%	51.1%	50.9%
Age:						
	Under 18	30.7%	28.0%	27.5%	24.0%	22.5%
	65 and Over	4.5%	5.9%	8.4%	10.7%	13.2%
	Peak Earning Years (age 35 – 54)	23.1%	24.9%	30.5%	28.3%	25.8%
	Median Age	26.9	28.9	32.7	34.9	35.8
	Dependency Population (<18 & > 65)	35.2%	33.9%	35.9%	34.7%	35.7%
Race:*						
	White	86.5%	80.5%	71.4%	67.7%	67.0%
	Black/African American	10.0%	13.9%	19.0%	19.6%	18.3%
	American Indian/Alaskan Native	0.2%	0.4%	0.4%	0.4%	0.2%
	Asian/Hawaiian/Pacific	2.5%	4.3%	5.0%	6.3%	6.7%
	Other Race	0.7%	0.9%	1.5%	2.0%	2.0%
	Two or More Races	NA	NA	2.7%	4.0%	5.8%
	Hispanic	2.0%	3.1%	4.2%	6.6%	8.1%
Households:						
	Family Household	79.2%	75.4%	71.8%	68.6%	69.0%
	Married Couple Family	66.6%	62.9%	55.7%	52.9%	49.5%
	Female Head of Household	10.3%	9.5%	12.4%	12.3%	14.8%
	Households with Children under 18	NA	44.8%	42.1%	35.4%	34.2%
	Housing Occupancy: Owner	64.2%	62.5%	65.6%	65.7%	62.2%
	Housing Occupancy: Renter	35.8%	37.5%	34.4%	34.3%	37.8%
	Average Household Size	2.97	2.82	2.70	2.65	2.63
	Average Family Size	3.35	3.21	3.21	3.16	3.14
Health Insurance	% with Health Insurance Coverage	NA	NA	NA	88.9%	92.4%
Marital Status:*						
	Single, Never Married	26.5%	24.7%	25.5%	28.3%	31.7%
	Married	61.0%	58.4%	57.1%	53.5%	49.6%
	Separated	3.0%	5.4%	3.2%	2.9%	2.6%
	Widowed	4.0%	4.0%	4.7%	4.7%	4.8%
	Divorced	5.5%	7.6%	9.5%	10.5%	11.2%
Median Household Income		\$20,203	\$36,271	\$48,705	\$64,212	\$71,117
Median Family Income		\$21,809	\$39,122	\$53,242	\$75,757	\$81,081
Per Capita Income		\$10,836	\$20,652	\$30,633	\$30,420	\$35,036

	1980	1990	2000	2010	2016
Poverty:					
Persons	8.9%	5.9%	6.5%	7.5%	7.9%
Families	7.7%	4.3%	5.1%	5.5%	5.4%
Children under 18	13.0%	7.6%	8.6%	10.5%	10.8%
65 and Over	10.3%	8.0%	4.7%	5.0%	5.1%
Female Head of Household	38.9%	20.2%	18.9%	18.9%	15.5%
Female Householder with Children	45.8%	26.5%	23.1%	24.2%	20.4%
Housing Expenses:					
Owner Expenses Exceeding 30% of Income	26.3%	30.7%	27.4%	42.7%	33.2%
Renter Expenses Exceeding 30% of Income	37.8%	39.0%	37.9%	53.5%	49.7%
Percent of Homeowners Mortgage Free	11.1%	11.4%	13.9%	19.7%	24.9%
Educational Attainment:					
High School Graduate	80.0%	88.0%	90.4%	93.1%	93.4%
College Graduate	22.4%	25.5%	28.1%	31.6%	35.0%
Labor Force:					
Civilian Labor Force Participation Rate	58.3%	62.5%	63.2%	71.0%	71.5%
Civilian Female Labor Force Participation	54.6%	63.5%	62.9%	63.7%	63.1%
Percent of Labor Force in Armed Forces	18.2%	18.6%	13.3%	10.2%	9.5%
Percent Unemployed	5.3%	4.7%	4.1%	6.5%	3.9%
Transportation-Related:					
Percent Who Drive Alone	67.5%	78.4%	82.0%	82.5%	80.5%
Percent Who Car Pool	21.2%	12.0%	10.8%	9.4%	9.6%
Percent Who Use Public Transportation	1.7%	0.8%	0.7%	0.8%	1.0%
Percent Who Work at Home	1.1%	3.3%	2.8%	4.3%	3.5%
Mean Travel Time (minutes)	21.9	22.7	23.9	23.4	23.4

*Totals may not equal 100% due to rounding.

Source: U.S. Census American Community Survey, and Virginia Labor Market Information